

**CORPORATE GOVERNANCE REPORT 2017-18**

**1. Bank’s Philosophy on Code of Governance**

Bank’s Corporate Governance philosophy is based on application of best management practices which will facilitate effective management and control of business. This enables the Board and the Senior Management of the Bank to take decisions adhering to ethical standards, transparency, accountability, responsibility and financial stability. The Bank believes that Corporate Governance is closely linked to its core values and is associated with ethical practices, concern for its employees, extending quality service to its customers, striving to meet the shareholders expectations and societal aspirations. This optimizes the value for all its stakeholders who include not only the Board of Directors and the Senior Management but also the Shareholders, Customers, Employees and the society at large.

Bank’s Corporate Governance structure apart from the Board comprises of the 18 Committees of the Board to monitor various areas of business.

**Prevention of Insider Trading**

Dena Bank has framed a comprehensive code of conduct for prevention of insider trading namely, “Dena Bank Code of Conduct for Prevention of Insider Trading” in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The code for Prevention of Insider Trading is posted on the website of the Bank. All the Directors, Employees at senior management level and other Employees of the Bank who could have access to the unpublished price sensitive information of the Bank are governed by the code. Bank has appointed Smt. Usha Ravi, General Manager in-charge of Investor Relation Centre as Compliance Officer who is responsible for setting forth procedures and implementation of the code of conduct for trading in Bank’s securities. During the year there has been due compliance with the said code.

**Code of Conduct**

The Board of Directors has approved a Model Code of Conduct circulated by the Indian Banks’ Association for its Directors and General Managers, which is modified subsequently by the Board as per SEBI circular CIR/CFD/POLICY CELL/2/2014 requirements. The code covers amongst other things the Bank’s commitment to honest and ethical personal conduct, fair competition, transparency and compliance of laws and Regulations etc. The code of conduct is posted on the website of the Bank. All the Directors and General Managers have affirmed that they have complied with the Code of Conduct for the year ending 31<sup>st</sup> March, 2018.

Bank has complied with the guidelines on Corporate Governance stipulated in SEBI (LODR) Regulations, 2015, the disclosure requirements of which are given below:

**2. Board of Directors**

The constitution of Board of Directors of the Bank is governed by the provisions of the Banking Regulation Act, 1949, the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 & Nationalized Banks (Management & Miscellaneous Provisions) Scheme, 1970.

As of 31.03.2018, the composition of the Board consists of eight (08) Directors including two (02) whole time Directors viz. Executive Directors appointed by Government of India and six (06) non-executive Directors. Out of six (06) non-executive Directors, one Official Director represents Government of India Nominee, one Director represents Reserve Bank of India, two Directors appointed by Government of India and two shareholder Directors elected by the Shareholders other than the Central Government. Following post of Directors are vacant as details given below:

Sl. No.	Post	Vacant from date
1	Managing Director & CEO	01.01.2018
2	Workmen Employee Director	19.09.2017
3	Officer Employee Director	01.01.2016
4	Part time non-official Director - Chartered Accountant	30.06.2014
5	Part time non – official Director to be appointed by GOI	05.12.2016
6	Part time non – official Director to be appointed by GOI	28.03.2018

Since the post of MD & CEO is vacant, Board in its meeting held on 16th January, 2018 granted administrative and financial powers of MD & CEO to Senior Executive Director and also decided that, Senior Executive Director may preside over the meetings of all the sub-committees of the Board, which were earlier chaired by erstwhile Chairman & Managing Director, till MD & CEO posted in Bank.

Further, after the superannuation of Smt. Trishna Guha, Executive Director on 31.08.2017, GOI has not appointed Woman Director on the Board of the Bank, as required under Regulation 17 (1) (a) of SEBI (LODR) Regulations, 2015.

During the year under review, 13 meetings of the Board of Directors were held on the following dates:

24.04.2017	09.05.2017	22.06.2017	29.07.2017	30.08.2017	23.09.2017
27.10.2017	10.11.2017	29.12.2017	16.01.2018	14.02.2018	06.03.2018
22.03.2018					

**2.2 Particulars of Directors**

The necessary particulars of Board of Directors and status of attendance in the Board meetings during the year under review are given in the **Annexure A, B and C.**

**3. Committees of Directors**

In accordance with the guidelines issued by Reserve Bank of India / Government of India / Ministry of Finance & Department of Financial Services and the guidelines on Corporate Governance etc., the Bank has constituted various Committees of the Board of Directors, the details of which are given below:

**3.1 Management Committee of the Board**

The Board had constituted Management Committee as per provisions of Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970 / 1980. The main functions of the Committee include sanctioning of credit proposals, Loan Compromise/Write-off proposals, Filing of suits/appeals, proposals for approval of capital and revenue expenses, investments in Government and other approved securities / shares/ Bonds and debentures of companies / Corporates, including underwriting, proposals for acquisition, hiring of premises, donations and all other financial approvals etc. which are beyond the discretionary powers of the Chairman & Managing Director / Credit Approval Committee and any other matter referred to the Management Committee by the Board.

The composition of members of the committee as of 31.03.2018 and details of attendance at the meetings at its meetings during the year 2017-18 are given in **Annexure B and C.**

**3.2 Audit Committee of the Board**

The Board had constituted Audit Committee of the Board of Directors in October 1995 in accordance with the guidelines of the

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Reserve Bank of India. The Committee was re-constituted in May 2008, as advised by Government of India vide communication No. F. No.19/20/2007-BO-I dated February 18, 2008.

Further, Reserve Bank of India vide its letter No.RBI/2015-16/181. DSB.ARS.BC 4 / 08.91.20/2015-16 dated 24th September 2015 has advised that should a Bank have more than one ED, the ED in-charge of Internal Inspection and Audit should be the member of the ACB whereas other EDs can be invitees to the meeting if the agenda includes any item for discussion from their domain.

The functions of Audit Committee include overseeing the audit functions, review of Bank's financial performance, review critical finding of concurrent/ other inspections/ audits, compliance with accounting standards and all other matters specified under Regulation 18 of SEBI [LODR] Regulations, 2015. The Committee discusses and considers Quarterly/ Annual Accounts before recommending the same to the Board for approval.

The composition of members of the committee as of 31.03.2018 and details of attendance at the meetings at its meetings during the year 2017-18 are given in Annexure B and C.

### 3.3. Remuneration Committee of Directors

Remuneration of whole time Directors of PSU Banks is decided by the Government of India. Performance incentive scheme is introduced by the Government of India and for that purpose as per Government of India directives; Bank has constituted "Remuneration Committee" of Board of Directors.

Further, Government of India, Ministry of Finance, Department of Financial Services vide its communication F.No.121/2014-BOA dated 18th August, 2015, has been made change in its orientation for evaluating the performance of Whole Time Directors (viz. Chairman and Managing Director, Managing Director & CEO and Executive Directors) on the Board of Public Sector Banks (PSBs). As per the said communications, the performance of Whole Time Directors will be evaluated by a Committee chaired by Secretary (Financial Services).

The composition of members of the committee as of 31.03.2018 and details of attendance at the meetings at its meetings during the year 2017-18 are given in Annexure B and C.

### 3.4 Stakeholders' Relationship Committee

The Board in its meeting held on November 10, 2014, constituted a Stakeholders' Relationship Committee in compliance of SEBI guidelines on Corporate Governance and Revised Clause 49 of the Listing Agreement entered into with the Stock Exchanges w.e.f. October 01, 2014, specifically looking into the redressal of grievance of shareholders, debenture holders/ bond holders and other security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

Further, Board in its meeting held on March 06, 2018 approved the merger of Share transfer Committee into Stakeholders' Relationship Committee. The Stakeholders' Relationship Committee to perform all the functions as performed by the Share Transfer Committee i.e. ratification of transfers, transmission of Equity Shares, Rematerialisation of Shares, Replacement of shares Certificate, Deletion of Name, Name change and issue of Duplicate Certificates approve by In-house Share Transfer Scrutiny Committee of Executives, noting of shareholding pattern, top Shareholders list and Share Transfer rejections etc.

The composition of members of the committee as of 31.03.2018, and details of attendance at its meetings during the year 2017-18 are given in Annexure B and C.

### 3.5 Committee of Directors on Integrated Risk Management

The Committee of Directors on Integrated Risk Management was constituted to oversee all risk management activities of the Bank, including identifying underlying risks perceptions, prescribing risk assessment and quantification methodologies, fixing tolerance level for risk exposures, guiding the line management on risk management and mitigation techniques etc.

The composition of members of the committee as of 31.03.2018 and details of attendance at the meetings at its meetings during the year 2017-18 are given in Annexure B and C.

### 3.6 Special Committee of the Board for Monitoring Large Value Frauds

In accordance with Reserve Bank of India Letter No.DBS.FGV(F) O./004/23.04.01A/2003-04 dated January 14, 2004, a Sub-committee of the Board for monitoring Large Value Frauds was constituted to review the large value frauds involving amounts of Rs.1.00 crore and above, identify the systemic lacunae, if any, monitoring progress of CBI / Police investigation and recovery position, review the efficacy of the remedial action taken to prevent recurrence of frauds and status of examination of staff accountability.

The composition of members of the committee as of 31.03.2018 and details of attendance at the meetings at its meetings during the year 2017-18 are given in Annexure B and C.

### 3.7 Customer Service Committee

Formed in line with RBI guidelines dated 14th August 2004, the Committee reviews the customer services in the Bank as also the progress in attending to customer complaints and grievances. It also considers new measures for improvement in customer service, including external issues.

The composition of members of the committee as of 31.03.2018 and details of attendance at the meetings at its meetings during the year 2017-18 are given in Annexure B and C.

### 3.8 Committee of the Board on Information Technology Committee.

With a view to facilitate optimum utilization of the existing IT infrastructure, envisioned in the IT Mission of the Bank, to direct IT department on policy matters etc., a need was felt to constitute committee of Directors of the Board for IT. The Board at its meeting held on 1st April 2003, constituted Committee of Directors on Information Technology. The same was reconstituted by Board on 26th & 27th August, 2005 to facilitate optimum utilization of the existing IT infrastructure, envision the IT mission of the Bank, to direct IT department on policy matters and review the transactions volumes under major delivery channels, scalability of the IT infrastructure, New Developments in Technology Field, Business Continuity Planning, Cyber Security, initiatives, the Bank's preparedness in areas of Information Technology and digitization of villages post demonetization etc.

Further, in terms RBI Circular No. RBI/2010-11/494/DBS. CO.ITC.BC.NO.6/31/02.008/2010-11 dated April 29, 2011 on implementation of recommendations of working group of information security, Electronic Banking, Technology, Risk Management and Cyber Frauds was re-constituted an independent IT strategy Committee having a minimum of two qualified directors as the members, of which one is an independent director and one member director having substantial IT expertise in managing Technology.

The composition of members of the committee as of 31.03.2018 and details of attendance at the meetings at its meetings during the year 2017-18 are given in Annexure B and C.

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**3.9 Compliance Committee.**

Reserve Bank of India, vide their communication no. DBS.CO.PP. BC.6/11.01.005/2006-07 dated April 20, 2007 has laid down guidelines for Compliance function in Banks. Based on these guidelines, the Bank had formulated its Compliance Policy which was approved by Board at its meeting held on December 29, 2007. In accordance with the provisions of the Policy, a committee of Directors on Compliance was constituted on December 29, 2007. The committee was re-constituted on January 29, 2009.

The composition of members of the committee as of 31.03.2018 and details of attendance at the meetings at its meetings during the year 2017-18 are given in Annexure B and C.

**3.10 Nomination Committee:**

The Reserve Bank of India, vide their communication DBOD. No.BC.NO.47/29.39.001/2007-08 dated November 1, 2007 has notified to constitute a Nomination Committee of Directors (all independent / non-executive directors) to undertake a process of due diligence to determine the "Fit and proper" status of existing elected Directors and those who file their nominations for election. Based on these guidelines, the Nomination Committee was constituted by Board at its meeting held on December 29, 2007. The said committee was reconstituted on 18<sup>th</sup> July, 2011, 29<sup>th</sup> September, 2011 and 29th June, 2016.

The composition of members of the committee as of 31.03.2018 and details of attendance at the meetings at its meetings during the year 2017-18 are given in Annexure B and C.

**3.11 Credit Approval Committee**

In line with the Gazette Notification No. 13/1/2006-BO.1 Dt. December 5, 2011 and as per the provisions of Nationalized Banks (Management & Miscellaneous Provisions) Amendment Scheme, 2011, the Board, in its meeting held on January 6, 2012 had constituted Credit Approval Committee of the Board, which was further modified vide Gazette Notification No. 13/01/2006-BO.I dated January 31, 2012 and approved by Board at its meeting held on February 06, 2012. The main functions of the Committee include sanctioning of credit proposals (Funded and Non-Funded), upto Rs.Two Hundred Fifty Crores and Loan Compromise / Write off proposals etc.

The Credit Approval Committee of the Board comprises of five members including two whole time Directors viz. two Executive Directors and 3 General Managers i.e. the General Manager (Corporate Credit), General Manager (Risk Management) and General Manager (Financial Management).

The composition of members of the committee as of 31.03.2018 and details of attendance at the meetings at its meetings during the year 2017-18 are given in Annexure B and C.

**3.12 Steering Committee of Board on HR:**

On October 22, 2009, Government of India, constituted a Committee under the Chairmanship of Dr. Anil Khandelwal, to study the HR issues of Public Sector Banks and to make recommendations. Governments of India, vide communication F.No.9/18/2009-IR Dt. October 21, 2011 conveyed their approvals for the recommendations and advised that HR plan incorporating these recommendations be prepared and got approved by the Board of Directors. The recommendations were placed before our Board in its meeting held on February 6, 2012. Further, based on the recommendations of the Khandelwal Committee, "Steering Committee of the Board on HR" was constituted on March 27, 2012 to discuss critical issues on HR, review HRM Plan and related policies on HR, on the lines suggested by the Khandelwal Committee. The Committee meets at quarterly intervals.

The composition of members of the committee as of 31.03.2018 and details of attendance at the meetings at its meetings during the year 2017-18 are given in Annexure B and C.

**3.13 Committee for Monitoring High Value NPAs and Loss Assets**

In terms of communication F.No.7/112/2012-BOA dated November 21, 2012 received from Department of Financial Services, Ministry of Finance, Govt. of India, Board has constituted a sub-committee of Board for Monitoring High Value NPAs and Loss Assets in its meeting held on December 11, 2012.

The composition of members of the committee as of 31.03.2018 and details of attendance at the meetings at its meetings during the year 2017-18 are given in Annexure B and C.

**3.14 Issue Committee of the Board**

On November 09, 2013, the Board constituted a committee of Directors to confirm the price calculated in accordance with SEBI (ICDR) Regulations and as certified by Statutory Auditor at which the equity shares on preferential basis will be issued and to allot shares on receipt of subscription. The said Committee is authorized and empowered to decide on various aspects of further issue of shares and to take administrative decisions.

Further, Board in its meeting held on 23rd September, 2017 re-constituted the Issue Committee of the Board. The scope of the Issue Committee of the Board to approve the issue price, the number of securities to be issued and allotted, the basis of allocation and allotment of Securities on Preferential / Qualified Institutional Placement (QIP)/ Rights/ Bonus/ FPO/ any other basis as mentioned under SEBI (ICDR) Regulations, 2009.

The composition of members of the committee as of 31.03.2018 and details of attendance at the meetings at its meetings during the year 2017-18 are given in Annexure B and C.

**3.15 Departmental Promotion Committee**

As per memorandum NO.10/6/98/VIG dated 08th June, 1998 of Government of India, Ministry of Finance, Department of Economic Affairs, Banking Division, Vigilance Section, a committee consisting of Chairman and Managing Director and the Nominee Directors of Government of India and RBI in the Bank was formed to deal with the promotions at senior levels and also review of Vigilance Disciplinary cases and departmental enquiries on quarterly basis. Accordingly, the Committee was formed in the meeting of Board of Directors held on November 09, 2013.

The composition of members of the committee as of 31.03.2018 and details of attendance at the meetings at its meetings during the year 2017-18 are given in Annexure B and C.

**3.16 Priority Sector Lending Committee**

On July 27, 2013, the Board constituted a Sub-committee of the Board on Priority Sector Lending for more focused attention on achieving targets on Priority Sector Lending and on various sub-sectors of priority sectors and formulation of strategies for priority sector lending.

The composition of members of the committee as of 31.03.2018 and details of attendance at the meetings at its meetings during the year 2017-18 are given in Annexure B and C.

**3.17 Committee of the Board for Confirmation of Wilful Defaulters**

The Reserve Bank of India, vide their circular DBOD No.BC/CIS/47/20.16.002/94 dated 23.04.1995 and vide modified circular No.RBI/2014-15/73 dt.07.01.2015 has notified to constitute a Review Committee of the Board headed by the Chairman with two independent directors to review the order of the committee

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headed by Executive Director in respect of identification of Wilful Defaulters. Based on these guidelines, the Committee of the Board for Review of Wilful Defaulters was constituted by Board at its meeting held on April 17, 2015.

The composition of members of the committee as of 31.03.2018 and details of attendance at the meetings at its meetings during the year 2017-18 are given in Annexure B and C.

### 3.18 Committee of Board to Review Non Cooperative Borrowers:

The Reserve Bank of India, vide their communications DBR. No.CID.BC.54/20.16.064/2014-15 dated December 22, 2014 has notified to constitute a Review Committee of the Board headed by Chairman & Managing Director with two independent directors to review the order of the Committee headed by Executive Director and confirm / finalize the order in respect of identification of Non Cooperative Borrowers who does not engage constructively with his lender by defaulting in timely repayment of dues while having ability to pay, thwarting lenders' efforts for recovery of their dues by not providing necessary information sought, denying access to assets financed/ collateral securities, obstructing sale of securities etc. Based on these guidelines, the Committee of the Board to Review Non Cooperative Borrowers was constituted by Board at its meeting held on November 07, 2015. No meeting was held during 2017-18.

The composition of members of the committee as of 31.03.2018 and details of attendance at the meetings at its meetings during the year 2017-18 are given in Annexure B and C.

### 4. Committees of Executives

For proper and efficient functioning of day-to-day functions of the Bank, the Bank has also formed various In-house Committees. Some of the In-house Committees are as under:

#### 4.1 Investment Committee

The Bank has constituted an Investment Committee of Executives for Investment and Money Market Operations. The said Committee reviews all the deals / transactions and the matters relating to investments and funds management transactions and gives necessary guidelines. These meetings are required to take place twice a week or as often as necessary for reviewing investment decisions.

The Committee is chaired by the Chairman & Managing Director and in his absence by the Executive Director. During the year under review, the Committee has been meeting regularly.

#### 4.2 Assets Liability Management Committee

The Bank has constituted Assets Liability Management Committee (ALCO) with Chairman and Managing Director and in his absence Executive Director as Chairman of the Committee. The functions of the Committee inter-alia include overseeing Market Risk Management, Liquidity Risk Management, Interest Rate Sensitivity of Assets and Liabilities and fixation of interest rates etc.

The functional General Managers and other executives from Head Office are other members of the Committee. During the year, the Committee met on 63 occasions to discuss and review ALM functions in the Bank.

#### 4.3 In-House Share Transfer Scrutiny Committee

The Bank had constituted an In-House Share Transfer Scrutiny Committee of the executives of the Bank for approving/recommending shares transfer, which are processed by the Registrar & Share Transfer Agent of the Bank. The Committee also periodically reviews the progress of demat position of

Bank's shares and shareholding pattern of the Bank. General Manager (Financial Management), Asst. General Manager (Board Secretariat), Asst. General Manager (IRC) and Chief Manager (IRC) & Company Secretary are the members of the Committee. General Manager (Financial Management) acts as the Chairman of the Committee. During the year, the Committee met on 38 occasions.

#### 4.4 Internal Committee of Executives on Premises (ICE)

The main functions of the Committee are approval of proposals for acquisition of premise on leasehold basis, increase in rent, payment of arrears, renewal of lease and surrender of leased premises, approval of deviations/modifications with regard to terms of sanction/Policy etc. and recommending the proposal to the Management Committee of Board of Directors, where the total annual outgo is beyond the Discretionary Powers prescribed for the ICE.

The Committee is headed by the Chairman & Managing Director. The Executive Directors and six General Managers are members of the Committee.

During the year 2017-18, the Committee met on 10 occasions and 73 no. of proposals were placed before the ICE.

### 5. Remuneration of Directors

The Chairman & Managing Director and the Executive Directors were paid salary / remuneration as per extant guidelines of the Government of India and are not paid sitting fees for attending the Board and other Committee meetings of the Bank. All other Non-Executive Directors except Government and RBI nominee Directors, are paid sitting fees of Rs.20,000/- for attending each Board Meeting and Rs.10,000/- each for attending any other Committee meeting as per notification F.No.15/1/2011-BO.I dated 20th July 2015 received from Government of India, Ministry of Finance, Department of Financial Services.

In addition to sitting fees to which a director is entitled to be paid as mentioned above, every such director travelling in connection with the work of the Bank shall be reimbursed his / her travelling & Halting expenses if any, on such basis as may be fixed by Central Government from time to time. All matters relating to remuneration of Non-Executive Directors are governed by the provisions contained in the Nationalized Banks (Management & Miscellaneous Provisions) Scheme, 1970.

### 6. Whistle Blower Policy

The Board of the Bank has approved a policy known as Whistle Blower Policy as per CVC and SEBI guidelines. Under this a mechanism has also been incorporated as to how an employee can report to the CVO/ Management about unethical behavior if any, actual or suspected fraud or violation of conduct or ethics. This mechanism also provides adequate safeguards against victimization of employee who avail of this mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional circumstances. Whistle Blower Policy 2017-18 has been hosted at the website of the Bank.

### 7. General Body Meetings

The details of last three Annual General Meetings and last three Extraordinary General Meetings are given below. The venue of all meetings was Auditorium, Sir Sorabji Pochkhanawala Bankers' Training College, J.V.P.D. Scheme, Vile Parle (West), Mumbai-400 056:

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Details of the Meeting	Date & Time
Twenty first Annual General Meeting *	Tuesday, 27 <sup>th</sup> June, 2017 at 11.00 a.m.
Twentieth Annual General Meeting	Tuesday, 28 <sup>th</sup> June, 2016 at 11.00 a.m.
Nineteenth Annual General Meeting	Saturday, 27 <sup>th</sup> June, 2015 at 11.00 a.m.
Extra Ordinary General Meeting (To create, offer, issue and allot Equity Shares on Preferential basis to GOI and to appoint two Shareholder Directors)	Tuesday, 27 <sup>th</sup> March, 2018 at 11.00 a.m.
Extra Ordinary General Meeting (To create, offer, issue and allot Equity Shares on Preferential basis to GOI, LIC of India and GIC of India)	Monday, 27 <sup>th</sup> March, 2017 at 11.00 a.m.
Extra Ordinary General Meeting (To create, offer, issue and allot Equity Shares on Preferential basis to Govt. of India )	Thursday, 22 <sup>nd</sup> September, 2016 at 11.00 a.m.

\*The Last AGM was attended by Shri Ashwani Kumar- Chairman & Managing Director, Smt. Trishna Guha- Executive Director, Shri Ramesh S. Singh – Executive Director and Shri V Chandrasekaran – Shareholder Director & Chairman of the Audit Committee.

Special Resolution was passed at the 21<sup>st</sup> Annual General Meeting and above said Extraordinary General Meetings.

Postal Ballot – Bank has not conducted any postal ballot during the last financial year.

E-Voting – Bank has provided E-Voting facility to shareholders for the resolutions placed in the Annual General Meeting and Extraordinary General Meeting held as above.

**8. Disclosures:**

**8.1 Disclosure of Material Transactions and Pecuniary Relationship**

The Bank has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions, which is approved by the Board in its meeting held on January 09, 2015. The said policy is also posted at the website of the Bank, the web-link of the same is as follows: <http://www.denabank.com/uploads/files/1421147731326-RPT-Policy.pdf>

There have been no significant related party transactions, pecuniary transactions or relationship between the Bank and its Directors for the year ended March 31, 2018 that may have a potential conflict with the interest of the Bank at large.

The Bank has sponsored one Regional Rural Bank in the state of Gujarat viz. Dena Gujarat Gramin Bank (DGGB) where Bank's extent of ownership is 35%. During the year, DGGB has issued Inter Bank Participation Certificate (IBPC) of Rs. 190.00 cr to Dena Bank on risk sharing basis representing various loans to priority sector which was matured on 27/12/2017. DGGB has invested Rs. 2 cr in Dena Bank Tier-II Bonds. Further, as on 31/03/2018, DGGB's deposit with bank stood at Rs.644.50 cr and have availed advances of Rs.594.35 cr.

**8.2** There were no cases of non-compliance by the Bank and no penalties / strictures were enforced on the bank by Stock Exchanges/ SEBI or any other statutory authority on any matter related to the capital markets during the last three years.

**8.3** As required under Regulation 40(9) of SEBI (LODR) Regulations, 2015, a certificate is obtained within one month of the end of each half of the financial year from a practicing Company Secretary, with regard to inter-alia, effecting transfer, transmission, sub-division, consolidation, renewal and exchange of equity shares within 30 days of the lodgment. The certificate is obtained and filed in BSE and NSE, where the equity shares are listed.

**8.4** In terms of SEBI's circular No. D&CC/FITTC/CIR-16 dated December 31, 2002 a Reconciliation of Share Capital Audit is conducted on a quarterly basis by a firm of practicing company secretary, for the purpose of, inter-alia, reconciliation of total admitted equity share capital with the depositories and in the physical form with the total issued / paid up equity capital of Dena Bank. Certificate issued in this regard is forwarded to BSE and NSE, where the equity shares of the Bank are listed, within 30 days from the quarter end.

**8.5 The Clause of Non-mandatory requirements complied by the Bank is as follows:**

S I . No.	Requirement	Compliance
1	<b>Board</b> A non-executive Chairman may be entitled to maintain a Chairman's office at the company's expense and	The Chairman of the Board is an Executive Director appointed by GOI, hence the clause is <b>not applicable</b> as it relates to maintenance of office by non-executive Chairman.
2	<b>Shareholder Rights</b> A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.	Quarterly/ Half yearly results in SEBI format are published in the newspapers and put on the websites of the Bank and Stock Exchanges.
3	<b>Audit Qualifications</b> Company may move towards a regime of unqualified financial statements.	There has been no audit qualification during the year. Hence, <b>complied with</b> .
4	<b>Separate posts of Chairman and CEO</b> The company may appoint separate persons to the post of Chairman and Managing Director/CEO.	The appointment of Chairman, Managing Director & CEO of the Bank is made by Ministry of Finance, GOI. Hence the clause is <b>not applicable</b> .
5	<b>Reporting of Internal Auditor</b> The Internal auditor may report directly to the Audit Committee.	Internal Inspection function of the Bank directly reports to the Audit Committee. Hence, <b>complied with</b> .

**9. Financial Results and Means of Communication:**

The Bank recognizes the need for keeping its members and stakeholders informed about the events of their interests.

The Quarterly / Half Yearly / Annual results of the Bank are submitted to the Stock Exchanges where the shares of the Bank are listed, within the stipulated time frame. Further, the quarterly results / half-yearly / annual results were also published in English, Hindi and in Marathi (Regional Language) newspapers as per the statutory requirement. The Bank also communicates the annual results to the Shareholders. The results as well as shareholding pattern are displayed on the website of the Bank i.e. www.

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denabank.com. It also displays official press releases and other important details about the Bank. Press Meet and Analyst's Meets are also organized by the Bank.

**10. Shareholder information**

The Bank is a Scheduled Commercial Bank having its Head Office at Mumbai. The Bank has presence all over India with a network of 1872 Branches (including 72 satellite branches).

The Equity shares of the Bank are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The stock scrip codes are as follows:

Stock Exchange	Code	
	Alpha	Numeric
BSE	DENA BANK	532121
NSE	DENABANK	--

Annual Listing fee for next financial year 2018-19 has been paid to both the stock exchanges.

**11. Capital Augmentation during the FY 2017-18**

**11.1** The Bank had taken approval of shareholders at the Extra Ordinary General Meeting held on 27<sup>th</sup> March, 2017 to raise equity

**11.2** The Bank has issued Non-Convertible Bonds in the nature of Promissory Notes / Debentures (Tier-I and Tier-II Capital) from time to time. The relevant details thereof are as under:

Particulars of the Issue	Size (Rs. In Cr)	Date of Allotment	Date of Maturity	ISIN No.	Details of Trustees
9.25% Lower Tier-II Bonds (Series IX)	106	25.03.2008	24.05.2018	INE077A09062	IDBI Trusteeship Ltd. Asian Building, Ground Floor, 17 R Kamani Marg, Ballard Estate Mumbai 400001 Phone 022-40807009 Email – itsl@idbitrustee.com
11.20% Lower Tier-II Bonds (Series X)	300	30.09.2008	30.04.2019	INE077A09070	
9.50% Lower Tier-II Bonds (Series XI)	200	29.01.2009	29.01.2019	INE077A09088	
9.00% Perpetual Bonds (Series II)	125	28.05.2009	Perpetual	INE077A09096	
9.23% Lower Tier-II Bonds (Series XII)	850	25.06.2012	25.06.2027	INE077A09104	Centbank Financial Services Ltd. Central Bank of India-MMO Bldg, 3rd Floor (East Wing), 55 MG Road, Fort, Mumbai 400001.
9.86% Basel III Compliant Lower Tier-II Bonds (Series XIII)	780	26.02.2014	26.02.2024	INE077A08064	
8.76% Basel III Compliant Lower Tier-II Bonds (Series XIV)	400	20.09.2016	20.09.2026	INE077A08098	

**Redemption of Bonds during the financial year:**

10.05% Perpetual Bonds (Series I) was redeemed on 31.12.2017 by exercising call option.

10.20% Basel III Compliant AT1 Perpetual Bonds (Series III) and 10.95% Basel III Compliant AT1 Perpetual Bonds (Series IV) was redeemed on 31.03.2018 by exercising call option under Regulatory Event.

All these Bonds are listed at the National Stock Exchange of India Ltd. and the Bank will pay the Annual Listing Fees for next financial year 2018-19 to the Stock Exchange before its due date.

**11.3 Credit Rating position of the Bonds of our Bank:**

Types of Bonds	Agency	Ratings (March, 2018)
Tier-II Bonds (Basel II Compliant)	CRISIL RATINGS	CRISIL AA- / Stable
	CARE RATINGS	CARE A + / Stable
	INDIA RATINGS	IND AA- / Stable
Perpetual/ IPDI (Basel II Compliant)	CRISIL RATINGS	CRISIL A+ / Stable
	CARE RATINGS	CARE A / Stable
	INDIA RATINGS	IND A- / Stable
Tier II Bonds (Basel III Compliant)	CARE RATINGS	CARE A + / Stable

**12.1 Dematerialisation of Shares and Liquidity**

The shares of the Bank are traded compulsorily in dematerialized mode. The Bank, as an issuer, has entered into agreements with NSDL and CDSL for dematerialization of shares. In terms of SEBI guidelines, the Registrar & Share Transfer Agent of the Bank is also extending the facility of transfer / dematerialization / rematerialization etc., to shareholders of the Bank.

	As on 31-03-2018		
	Demat	Physical	Total
Number of Shareholders	2,16,856 (87.48%)	31,027 (12.52%)	2,47,883 (100%)
Number of Shares	225,06,15,237 (99.63%)	84,31,093 (0.37%)	225,90,46,330 (100%)

share capital upto an amount of Rs. 792.33 Crore by issue and allotment of 20,62,81,999 equity shares at a price of Rs. 38.41 per share (including premium of Rs. 28.41) on preferential basis to Government of India (15,62,09,320 Equity Shares), LIC of India (4,48,65,702 Equity Shares) and GIC of India (52,06,977 Equity Shares). The Bank had received and kept the said amount as application money till the allotment of equity shares. The allotment of shares was made on 4<sup>th</sup> August, 2017 pursuant to approval of GOI vide their letter F. No. 7/38/2014-BOA dated 4<sup>th</sup> August, 2017.

The Bank has raised Rs. 401.26 Crore in October, 2017 by issue and allotment of 13,74,18,819 fully paid equity shares @ Rs. 29.20 per share to Qualified Institutional Buyers (QIBs) under Qualified Institutions Placement (QIP).

Pursuant to approvals from Reserve Bank of India and Government of India under Section 3(2B)(c) of Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970; the Bank has raised Rs. 3,045 Crore by allotment of 112,81,95,628 Equity shares of Rs.10/- each at a price of Rs. 26.99 per share (including premium of Rs. 16.99 per share) to President of India (Government of India) on preferential basis on 27<sup>th</sup> March, 2018. The capital raised would be utilized to shore up the capital adequacy of the bank and to fund the general business needs of the Bank.

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**12.2 Share Transfer Systems and Redressal of Investor Grievances.**

The Bank has engaged M/s. Link Intime India Private Limited as Registrar & Share Transfer Agent (R & T Agent) of the Bank and the Share/ Bond transfers / transmission, Dividend / Interest payments and all other investors' related matters are attended to and processed by R & T Agent at their office. The R & T Agent after processing the requests of investors put the same to the In-house Share Transfer Scrutiny Committee of the Executives of the Bank which approves and recommends the transfer / transmission etc. of shares of the Bank to the Share Transfer Committee/ Stakeholder's Relationship Committee for ratification.

Shareholders may lodge their transfer deeds (only in case of holding in physical form) and any other document, including complaints at the following address of Registrar & Share Transfer Agent of the Bank and also refer correspondence, if any, at the Bank's Investor Relations Centre at the address given below.

M/s. Link Intime India Private Limited Unit: Dena Bank, C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai, Maharashtra - 400083 Tel: 022 - 49186270 Tele- Fax: 022 - 49186060 E-mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> , <a href="mailto:Bonds.helpdesk@linkintime.co.in">Bonds.helpdesk@linkintime.co.in</a>	Dena Bank, Head Office, Investor Relations Centre, 3 <sup>rd</sup> Floor, Dena Corporate Centre, C-10, G Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051 Tel: 2654 5318/19/20 Tele-fax: 2654 5317 E-mail: <a href="mailto:irc@denabank.co.in">irc@denabank.co.in</a>
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The Bank has provided a dedicated and exclusive e-mail id [investorgrievance@denabank.co.in](mailto:investorgrievance@denabank.co.in) for the Grievance Redressal, as per SEBI guidelines. Shareholders are requested to avail of this facility in case of any grievance.

**12.3 Green Initiative in Corporate Governance**

As part of the Green Initiative in Corporate Governance, the

Bank has been sending all communications and documents such as Notice of AGMs and other General Meetings, Explanatory Statement thereto, Annual Report, Balance Sheets, Directors' Report, Auditor' Report and other shareholder communications in electronic form to the email address registered by the shareholders either with the Bank or with the depositories as the case may be.

**Shareholders are requested to register / update their email ids with the Depository Participants (DPs) or M/s Link Intime India Pvt. Ltd. as the case may be at the earliest, to enable the Bank to be part of this green initiative.**

**12.4 Financial Calendar: (Tentative)**

Financial Year	1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019
Board Meeting for considering the Accounts and recommendation of dividend, if any	11 <sup>th</sup> May, 2018 (Friday)
Dates of Book Closures	21 <sup>st</sup> June, 2018 to 27 <sup>th</sup> June, 2018
Last date for receipt of proxy form	22 <sup>nd</sup> June, 2018
Date and Time of Twenty Second Annual General Meeting	27 <sup>th</sup> June, 2018 at 11:00 A.M.
Board Meeting for taking on record the Un-audited results for first 3 quarters	Within 45 days of the end of relevant quarter
Venue of Twenty Second Annual General Meeting	Auditorium, Sir Sorabji Pochkhanawala Bankers' Training College, Near Cooper Hospital, J.V.P.D. Scheme, Vile Parle (West), Mumbai- 400 056

**12.5 Shares Price and Volume of Shares traded on NSE & BSE during the year 2017-18:**

Period	National Stock Exchange (NSE)			Bombay Stock Exchange (BSE)		
	High	Low	Total Volume of shares traded	High	Low	Total Volume of shares traded
Apr-17	44.90	38.10	2,75,48,301	44.70	38.00	57,91,852
May-17	50.10	33.75	7,01,42,856	50.00	33.70	1,66,34,343
Jun-17	38.40	33.10	3,03,33,562	38.40	33.00	73,67,699
Jul-17	36.10	32.10	1,87,63,644	36.10	32.25	41,77,220
Aug-17	35.25	30.30	1,38,07,692	35.30	30.30	33,60,393
Sep-17	33.60	30.00	1,69,20,104	33.45	30.45	27,48,452
Oct-17	32.00	27.10	10,15,94,414	32.00	27.10	1,41,13,357
Nov-17	28.70	24.30	7,09,26,971	28.80	24.30	1,15,14,144
Dec-17	26.40	23.55	3,40,37,649	26.40	23.70	66,11,760
Jan-18	27.85	24.85	7,30,77,475	27.85	24.65	1,30,02,922
Feb-18	25.50	19.85	3,79,73,140	25.55	19.85	77,71,152
Mar-18	21.60	18.05	3,15,33,392	21.70	18.00	65,03,534
Highest during the year			50.10	Highest during the year		50.00
Lowest during the year			18.05	Lowest during the year		18.00

**12.6 Shareholding Pattern as on March 31, 2018:**

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The shareholding pattern of the Bank as on March 31, 2018 is as follows:

Sl. No.	Category	No. of Shares held	% of Shareholding
1	Government of India	182,40,31,844	80.74
2	Insurance Companies	19,05,01,676	8.43
3	Foreign Institutional Investors	2,79,37,286	1.24
4	Bodies Corporate	2,52,95,657	1.12
5	NRI/ OCBS	56,06,737	0.25
6	Banks & Financial Institutions	3,84,19,247	1.70
7	Mutual Funds/ UTI	400	0.00
8	Resident Individuals / NBFC Regd. with RBI, Trust, etc.	14,72,53,483	6.52
	<b>TOTAL</b>	<b>225,90,46,330</b>	<b>100.00</b>

**12.7 (A) Statement showing shareholding of persons belonging to the category "Promoter and Promoter Group" as on 31.03.2018:**

Sl. No.	Name of Shareholder	Number of Shares held	% of total holding
1.	President of India (Gol)	182,40,31,844	80.74
	<b>TOTAL</b>	<b>182,40,31,844</b>	<b>80.74</b>

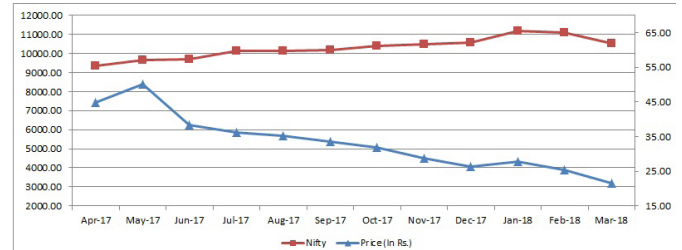
**B) Statement showing shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares as on 31.03.2018:**

S/ No.	Category of the Shareholders	Number of Shares held	Shares as percentage of total no. of shares
1	Life Insurance Corporation of India	15,52,69,698	6.87
2	General Insurance Corporation of India	2,85,32,665	1.26
	<b>Total</b>	<b>18,38,02,363</b>	<b>8.13</b>

**12.8 Distribution of Shareholding as on 31.03.2018**

Description (Shares Range)	Shareholders		Shareholding	
	Number	% to total	Number	% to total
Upto 500	206069	83.13	34625936	1.53
501-1000	20687	8.34	17325868	0.77
1001-2000	10490	4.23	16364235	0.72
2001-3000	3610	1.46	9361867	0.41
3001-4000	1725	0.70	6251979	0.28
4001-5000	1434	0.58	6825226	0.30
5001-10000	2144	0.86	16156277	0.72
Above 10000	1724	0.70	2152134942	95.27
<b>Total</b>	<b>247883</b>	<b>100.00</b>	<b>2259046330</b>	<b>100.00</b>

**12.9 Performance of Dena Bank Share in comparison with the movement of S & P CNX Nifty is shown here below:**



**12.10 Shareholders information:**

The Bank had declared Dividend for the following years:

Sl	Year	Dividend (%)	Sl	Year	Dividend (%)
1	1996-1997	12%	13	2008-2009	12%
2	1997-1998	15%	14	2009-2010	20%
3	1998-1999	16%	15	2010-2011	22%
4	1999-2000	6%	16	2011-2012	30%
5	2000-2001	Nil	17	2012-2013	47%
6	2001-2002	Nil	18	2013-2014 (Interim)	11%
7	2002-2003	Nil	19	2013-2014 (Final)	11%
8	2003-2004	Nil	20	2014-2015 (Final)	9%
9	2004-2005	Nil	21	2015-16	Nil
10	2005-2006	Nil	22	2016-17	Nil
11	2006-2007	8%	23	2017-18	Nil
12	2007-2008	10%			

The Government of India vide its notification dated October 16, 2006 has further amended the Banking Companies (Acquisitions & Transfer of Undertakings) Act, 1970/ 1980, and enacted the new law called the Banking Companies (Acquisitions and Transfer of Undertakings) and Financial Institutions Laws (Amendment) Act, 2006 effective from the date of notification.

As per section 10(B) (2) of the aforesaid Act, the Bank has to transfer the whole or part of any dividend declared before the commencement of the above said Act, unpaid dividend to a special account called "Unpaid Dividend Account of Dena Bank (year)" within six months from the commencement of the Act. i.e. 16<sup>th</sup> October, 2006. Bank has complied with the above requirement and transferred the same to "Unpaid Dividend Account"

As per section 10 (B) (1) of the aforesaid Act, where, after the commencement of the Banking Companies (Acquisition and Transfer of Undertakings) and Financial Institutions Laws (Amendment) Act, 2006, a dividend has been declared by a corresponding new bank but has not been paid or claimed within thirty days from the date of declaration, to, or by, any shareholder entitled to the payment of the dividend, the corresponding new bank shall, within seven days from the date of the expiry of such period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be called "Unpaid Dividend Account". The Bank has complied with this guideline for dividend for the year 2014-15.



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As per section 10 (B) (3) of the aforesaid Act, Any money transferred to the Unpaid Dividend Account of a corresponding new bank in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the corresponding new bank to the Investor Education and Protection Fund established by the Central Government. Accordingly, Bank has transferred Unpaid/ Unclaimed Dividend amount lying in the unpaid dividend account upto 2009-10.

Accordingly, the shareholders who have not received the dividend from the year 2010-11 to 2014-15 may please contact Investor Relations Centre of the Bank or M/s. Link Intime India Private Limited for assistance. Bank had not declared any dividend during the years 2000-2001 to 2005-06 and in the year 2015-16 to 2017-18.

**12.11** SEBI has made it mandatory for all listed companies to use the Bank account details furnished by the Depositories for distributing dividends through National Electronic Clearing Service (NECS) to the investors where ECS facility is available. In the absence of NECS facility the Bank shall print the Bank Account details, if available, on payment instrument for distribution of dividends to the investors.

**12.12** The shareholders having physical shares, who have not provided the Bank Mandate details/ change in Bank Mandate details, may furnish the same to avoid fraudulent encashment of the dividend warrants. Performa for furnishing the Bank Mandate is provided separately in the Annual Report.

**12.13** It may please be noted that the shareholders who are holding the shares in physical form may send their Bank Mandate details and change in address, if any, to the Investor Relations Centre of the Bank or M/s. Link Intime India Private Limited, Mumbai for updating record of the shareholders. The shareholders who are holding the shares in demat (electronic) form may approach their Depository Participant for necessary updation of the particulars of Bank account, address of shareholder etc.