

**NOTICE**

Notice is hereby given that the *Seventeenth Annual General Meeting* of the Shareholders of Canara Bank will be held on **Thursday, the 25<sup>th</sup> July, 2019 at 10.30 A.M. at Jnanajyothi Auditorium, Central College, Palace Road, Bengaluru – 560 001**, to transact the following business:

1. To discuss, approve and adopt the Audited Balance Sheet of the Bank as at 31<sup>st</sup> March 2019, Profit & Loss account for the year ended 31<sup>st</sup> March 2019, the Report of the 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 consider and if thought fit, to pass the following special resolution:

"RESOLVED THAT pursuant to the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (Act), The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 (Scheme) and the Canara Bank (Shares and Meetings) Regulations, 2000 as amended from time to time and subject to the approvals, consents, permissions and sanctions, if any, of the Reserve Bank of India ("RBI"), the Government of India ("GOI"), the 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 modifications thereto as may be prescribed by them in granting such approvals and which may be agreed to by the Board of Directors of the Bank and subject to the regulations viz., SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations) as amended up to date, guidelines, if any, prescribed by the RBI, SEBI, notifications/circulars and clarifications under the Banking Regulation Act, 1949, SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India Act, 1992 and all other applicable laws and all other relevant authorities from time to time and subject to the Listing Agreements 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 create, offer, issue and allot (including with provision for reservation on firm allotment and/or competitive basis of such part of issue and for such categories of persons as may be permitted by the law then applicable) by way of an offer document / prospectus or such other document, in India or abroad, such number of equity shares and / or preference shares (whether cumulative or not; convertible into equity shares or not) in accordance with the guidelines framed by RBI from time to time, specifying the class of preference shares, the extent of issue of each class of such preference shares, whether perpetual or redeemable, the terms & conditions subject to which each class of preference shares may be issued and / or other permitted securities which are capable of being converted into equity or not, for an aggregate amount not exceeding Rs. 6000 Crore (Rupees Six Thousand Crore only), inclusive of such premium as may be fixed on the Equity Shares at such time or times, at such price or prices, at a discount or premium to market price or prices in one or more tranches in such a way that the Central Government shall at all times hold not less than 52% of the paid-up Equity capital of the Bank, including to one or more of the members, employees of the Bank by way of ESPS, Indian nationals, Non-Resident Indians ("NRIs"), Companies, private or public, investment institutions, Societies, Trusts, Research organisations, Qualified Institutional Buyers ("QIBs") like Foreign Institutional Investors ("FIIs"), Banks, Financial Institutions, Indian Mutual Funds, Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions or other entities, authorities or any other category of investors which are authorized to invest in equity/preference shares/securities of the Bank as per extant regulations/guidelines or any combination of the above as may be deemed appropriate by the Bank."

"RESOLVED FURTHER THAT such issue, offer or allotment shall be by way of Follow on public issue, rights issue, Private Placement / Qualified Institutional Placement (QIP) / or any other mode approved by GOI/RBI with or without over-allotment option and that such offer, issue, placement and allotment be made as per the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") and all other guidelines issued by the RBI, SEBI and any other authority as applicable, and at such time or times in such manner and on such terms and conditions as the Board may, in its absolute discretion, think fit."

"RESOLVED FURTHER THAT the Board shall have the authority to decide, at such price or prices in such manner and where necessary, in consultation with the lead managers and /or underwriters and /or other advisors or otherwise on such terms and conditions as the Board may, in its absolute discretion, decide in terms of ICDR Regulations, other regulations and any and all other applicable laws, rules, regulations and guidelines, whether or not such investor(s) are existing members of the Bank, at a price not less than the price as determined in accordance with relevant provisions of ICDR Regulations."

"RESOLVED FURTHER THAT in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the provisions of Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the provisions of the Canara Bank (Shares and Meetings) Regulations, 2000, the provisions of ICDR Regulations, the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, and subject to requisite approvals, consents, permissions and/or sanctions of Securities and Exchange Board of India (SEBI), Stock Exchanges, Reserve Bank of India (RBI), Foreign Investment Promotion Board (FIPB), Department of Industrial Policy and Promotion, Ministry of Commerce (DIPP) and all other authorities as may be required (hereinafter collectively referred to as "the

Appropriate Authorities”) and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as “the requisite approvals”) the Board, may at its absolute discretion, issue, offer and allot, from time to time in one or more tranches, equity shares or any securities other than warrants, which are convertible into or exchangeable with equity shares at a later date, in such a way that the Central Government at any time holds not less than 52% of the Equity Capital of the Bank, to Qualified Institutional Buyers (QIBs) (as defined in Chapter VI of the ICDR Regulations) pursuant to a qualified institutional placement (QIP), as provided for under Chapter VI of the ICDR Regulations, through a placement document and / or such other documents / writings / circulars / memoranda and in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the ICDR Regulations or other provisions of the law as may be prevailing at that time”

“RESOLVED FURTHER THAT in case of a qualified institutional placement pursuant to Chapter VI of the ICDR Regulations

- a) the allotment of Securities shall only be to Qualified Institutions Buyers within the meaning of Chapter VI of the ICDR Regulations, such Securities shall be fully paid-up and the allotment of such Securities shall be completed within 365 days from the date of passing this resolution, or such other time as may be permitted under the ICDR Regulations from time to time.
- b) The Bank is pursuant to proviso to Regulation 176(1) of ICDR Regulations authorized to offer shares at a discount of not more than five percent on the floor price.
- c) the relevant date for the determination of the floor price of the securities shall be in accordance with the ICDR Regulations.”

“RESOLVED FURTHER THAT the Board shall have the 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 issue and allotment of new equity shares/preference shares/securities if any, to NRIs, FIIs and/or other eligible foreign investors be subject to the approval of the RBI under the Foreign Exchange Management Act, 1999 as may be applicable but within the overall limits set forth under the Act.”

“RESOLVED FURTHER THAT the said new equity shares to be issued shall be subject to the Canara Bank (Shares and Meetings) Regulations, 2000, as amended, and shall rank in all respects *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 for the purpose of giving effect to any issue or allotment of equity shares/preference shares/securities, the Board be and is hereby authorized to determine the terms of the public offer, including the class of investors to whom the securities are to be allotted, the number of shares/securities to be allotted in each tranche, issue price, premium amount on issue as the Board in its absolute discretion deems fit and do all such acts, deeds, matters and things and execute such deeds, documents and agreements, as they may, in its absolute discretion, deem necessary, proper or desirable, and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise in regard to the public offer, issue, allotment and utilization of the issue proceeds, and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, as it may, in its absolute discretion, deem fit and proper in the best interest of the Bank, without requiring any further approval of the members and that all or any of the powers conferred on the Bank and the Board vide this resolution may be exercised by the Board.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into and execute all such arrangements with any Book Runner(s), Lead Manager(s), Banker(s), Underwriter(s), Depository(ies), Registrar(s), Auditor(s) and all such agencies as may be involved or concerned in such offering of equity / preference shares/ securities and to remunerate all such institutions and agencies by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc., with such agencies.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board, in consultation with the Lead Managers, Underwriters, Advisors and/or other persons as appointed by the Bank, be and is hereby authorized to determine the form and terms of the issue(s), including the class of investors to whom the shares/securities are to be allotted, number of shares/securities to be allotted in each tranche, issue price (including premium, if any), face value, premium amount on issue/conversion of Securities/exercise of warrants/redemption of Securities, rate of interest, redemption period, number of equity shares/preference shares or other securities upon conversion or redemption or cancellation of the Securities, the price, premium or discount on issue/conversion of Securities, rate of interest, period of conversion, fixing of record date or book closure and related or incidental matters, listings on one or more stock exchanges in India and/or abroad, as the Board in its absolute discretion deems fit.”

“RESOLVED FURTHER THAT such of these shares / securities as are not subscribed may be disposed off by the Board in its absolute discretion in such manner, as the Board may deem fit and as permissible by law.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deems necessary, proper and desirable and to settle any question, difficulty or doubt that may arise in regard to the issue of the shares/securities and further to do all such acts, deeds, matters and things, finalise 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 authorize to the end and intent, that the shareholders shall be deemed to have given their approval thereto expressly by the authority of the Resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to the Managing Director & Chief Executive Officer or to the Executive Director(s) or to Committee of Directors to give effect to the aforesaid Resolutions.”

3. To elect two Directors from amongst Shareholders of the Bank other than the Central Government, in respect of whom valid nominations 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 and Nationalised Banks {Management & Miscellaneous Provisions} Scheme, 1970 (hereinafter referred to as the “Scheme”) and Canara Bank (Shares and Meetings) Regulations, 2000 (hereinafter referred to as the “Regulations”) and Notifications 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”), Office Memorandum ref no. F.No. 16/83/2013-BO-I dated 03.09.2013 & F. No. 16/51/2012-BO-I, dated 28.04.2015 & 20.07.2016 of Government of India (GOI) by passing the following resolution: -

“RESOLVED THAT two Directors elected from amongst shareholders other than Central Government pursuant to Section 9(3)(i) of the Act read with Scheme, Regulations and Notifications made there under, RBI Notifications and Office Memoranda of GOI, be and are hereby appointed as the Directors of the Bank to assume office from 27<sup>th</sup> July, 2019 and hold office until the completion of a period of three years from the date of such assumption (i.e., up to 26<sup>th</sup> July, 2022)”

	By Order of the Board of Directors
	R A SANKARA NARAYANAN MANAGING DIRECTOR & CEO
Place : Bengaluru Date : 18.06.2019	

**EXPLANATORY STATEMENT IN RESPECT OF THE BUSINESS MENTIONED AGAINST ITEM NO. 2 OF THE NOTICE:**

- The current Equity Capital of the Bank is Rs. 753.24 Crore and the Capital Adequacy Ratio of the Bank as on March 31, 2019 is 11.90%, which is well above the 10.875% stipulated by the Reserve Bank of India. However, in view of certain expansion plans of the Bank, the implementation of BASEL III norms, and consequent capital charge, there is a need to increase the capital to further strengthen the Capital Adequacy Ratio.
- The Bank had at its 16<sup>th</sup> AGM held on 26.07.2018 passed a special resolution for fresh issue of equity shares of upto Rs 7000 Crore(including premium) by way of various modes including Qualified Institutional Placement and ESPS.
- Out of the total capital raising plan of Rs 7000 Crore, the Bank issued 2 Crore equity shares of Rs 10 each to eligible employees under Tranche – I of the CanBank-ESPS on 06.02.2019. Though Bank planned to raise capital to the extent of resolution passed, by way of Qualified Institutional Placements or other approved modes, the issue could not be completed for various reasons. As the validity of the resolutions obtained in the 16<sup>th</sup> AGM is restricted to one year for QIPs. The Board of Directors of the Bank have decided to raise Capital to the extent of Rs 6000 Crore (including premium) during the financial year 2019-20 through various modes including Follow-on Issue, Right Issue, Preferential Issue to Government and Financial Institutions, Qualified Institutional Placement/ESPS and other permitted mode of raising capital.
- The Bank in terms of Section 3(2B)(c) of the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970, will obtain requisite approval of the Government of India, Ministry of Finance for increasing the paid up capital. However, the Central Government shall, at all times, hold not less than fifty-two per cent of the paid – up equity capital of the Bank.
- The Regulation 41(4) of the SEBI (LODR) Regulations, 2015 provides that whenever any further issue or offer is being made by the Bank, the existing shareholders should be offered the same on pro rata basis unless the shareholders in the general meeting decide otherwise. The said resolution, if passed, shall have the effect of allowing the Board on behalf of the Bank to issue and allot the securities otherwise than on pro-rata basis to the existing shareholders.*
- The Resolution seeks to enable the Bank to create, offer, issue and allot equity shares/preference shares/securities by way of Follow on public issue, rights issue and/or on a private placement basis or any other mode approved by GOI/RBI. The issue proceeds will enable the Bank to strengthen its Capital Adequacy Requirements as specified by RBI from time to time.
- The Resolution further seeks to empower the Board of Directors to undertake a qualified institutional placement with qualified institutional buyers as defined by ICDR Regulations. The Board of Directors may in their discretion adopt this mechanism as prescribed under Chapter VI of the ICDR Regulations for raising funds for the Bank, without seeking fresh approval from the shareholders.

In case of a QIP issue in terms of Chapter VI of ICDR Regulations, issue of securities, on QIP basis, can be made at a price not less than the average of the weekly high and low of the closing prices of the shares quoted on a stock exchange during the two weeks preceding the "Relevant Date". "Relevant Date" shall mean the date of the meeting in which the Board or Committee of the Bank decides to open the QIP Issue.

8. The detailed terms and conditions for the offer will be determined in consultation with the Advisors, Lead Managers and Underwriters and such other authority or authorities as may be required, considering the prevailing market conditions and other regulatory requirements.
9. As the pricing of the offering cannot be decided except at a later stage, it is not possible to state the price of shares to be issued. However, the same would be in accordance with the provisions of the ICDR Regulations, the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and the Canara Bank (Shares and Meetings) Regulations, 2000 as amended from time to time or any other guidelines/regulations/consents as may be applicable or required.
10. For reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue.
11. The equity shares allotted, shall rank *pari passu* in all respects with the existing equity shares of the Bank.

For this purpose the Bank is required to obtain the consent of the shareholders by means of a special resolution. Hence your consent is requested for the above proposal.

The Board of Directors recommends passing of the Special Resolutions as mentioned in the notice.

None of the Directors of the Bank is interested or concerned in the aforementioned Resolution(s), except to the extent of their shareholding, if any in the Bank.

#### EXPLANATORY STATEMENT IN RESPECT OF THE BUSINESS MENTIONED AGAINST ITEM NO. 3 OF THE NOTICE:

#### ELECTION OF SHAREHOLDER DIRECTORS

The Bank, as part of the Fourteenth Annual General Meeting of shareholders of the Bank, conducted the election for three Shareholder Directors from amongst the shareholders of the Bank other than the Central Government and three candidates were declared elected. Their term of office is 3 years from the date of assuming office after election i.e., on 27.07.2016 and the said term is expiring on 26.07.2019.

However, one of the Directors elected Shri Mahadev Nagendra Rao, resigned from the board of the Bank on 02.03.2018, owing to personal reasons.

The Bank allotted 13,59,54,616 equity shares of Rs 10 each to Government of India by way of preferential allotment on 27.03.2018 which reduced the public shareholdings to 27.45%. The current public shareholdings (other than Government of India, Promoter holdings) is 29.38% after allotment of 2 crore equity shares of Rs 10 each to employees under Tranche I of the CanBank –ESPS (Allotment Date - 06.02.2019)

As per the Section 9 (3) (i) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, if the paid up capital issued to Public is more than 16 % but not more than 32%, 2 Directors are to be elected by the Shareholders, other than the Central Government from amongst themselves.

In line with aforesaid guidelines, the Bank as part of Seventeenth Annual General Meeting of shareholders of the Bank, has decided to conduct the election of two Directors from amongst the shareholders of the Bank other than the Central Government.

A Director so elected shall be deemed to have assumed office from 27<sup>th</sup> July, 2019 and shall hold office for a period of three years from the date of such assumption of office.

(The full notice is available on the website of the bank at the shareholder information page)

	By Order of the Board of Directors
Place : Bengaluru Date : 18.06.2019	R A SANKARA NARAYANAN MANAGING DIRECTOR & CEO

**E-VOTING NOTICE**

Sr.No.	1	
Name & Address	:	.....
Name(s) of the Joint Holder(s) if any	:	.....
Registered Folio No/ DPID No./Client ID No.	:	.....
No. of shares held	:	.....

The Bank is pleased to provide Remote e-voting facility to the shareholders of the Bank through Karvy Fintech Pvt. Ltd. to enable them to cast their votes electronically on the items mentioned in the notice.

The Bank has appointed Mr. S. N. Ananthasubramanian & Co, Practicing Company Secretaries 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/beneficiary owners shall be reckoned on the equity shares held by them as on 18th July, 2019 **being the Cut-off date for the purpose**. Shareholders of the Bank holding shares either in physical or in dematerialized form, as on the Cut-off date, may cast their vote electronically **on the agenda items other than Election of Shareholder Directors**. {Note : The cutoff date/specified date for determination of voting rights with regard to Agenda Items 1 & 2 is 18.07.2019 and with respect to Agenda Item No. 3 is 21.06.2019}.

The instructions for e-Voting are as under:

- To use the following URL for e-voting:  
<https://evoting.karvy.com>
- Enter the login credentials i.e., user id and password mentioned here below. Your Folio No/DP ID Client ID will be your user ID.

**e-Voting Details**

EVENT	User ID	Password

User – ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- • Event no. followed by Folio Number registered with the bank
Password	In case of shareholders who have not registered their e-mail addresses, their User-Id and Passwords are as printed in the above table.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- After entering the details appropriately, click on LOGIN.

4. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
5. You need to login again with the new credentials.
6. On successful login, the system will prompt you to select the EVENT i.e., **Canara Bank**.
7. **FOR AGENDA ITEMS 1 & 2** : On the voting page, the number of shares as held by the shareholder as on the **Cut-off Date** (18<sup>th</sup> July, 2019) will appear. If you desire to cast all the votes assenting/dissenting to the Resolutions for the said Agenda Items then enter all shares and click "FOR" / "AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option "ABSTAIN" in case you wish to abstain from voting. If you do not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on these resolutions.
8. **FOR AGENDA ITEM 3** : In respect of this Agenda Item , those holding shares as on the specified date ie., 21<sup>st</sup> June, 2019, can cast their vote in favour of maximum TWO candidates, out of the contesting candidates, whose names will appear on the screen. Casting Vote exceeding TWO candidates shall render your vote as invalid. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the Election resolution.
9. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.

**However, shareholder may please note that in terms of Section 3 (2E) of the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970, no shareholder other than Government of India is allowed to exercise voting rights in excess of 10% of the total shareholding of the Bank.**

10. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail [scrutinizer@snaco.net](mailto:scrutinizer@snaco.net)
11. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.
12. **Remote e-Voting Period :**  
  
The Portal will remain open for voting from: **10.00 a.m. on Saturday the 20<sup>th</sup> July, 2019 to 5.00 p.m. on Wednesday the 24<sup>th</sup> July, 2019 (both days inclusive) and Karvy will disable the e-voting platform thereafter.**
13. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-Voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. S V Raju of Karvy Fintech Pvt Ltd at 040 67161500 or at 1800 345 4001 (toll free).
14. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
15. The results of e-voting will be announced by the Bank in its website and also informed to the stock exchanges.

Kindly note that once you have cast your vote under e-Voting, you cannot modify or vote on poll at the Annual General Meeting.

However, you can attend the meeting and participate in the discussions, if any.