



CITY UNION BANK LIMITED

Regd. Off. : 149, T.S.R. (Big) Street, Kumbakonam - 612 001.
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NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the members of City Union Bank Limited, will be held on Friday, the 30th August, 2013 at 10.15 a.m. at "Raya Mahal", 45-46, Gandhi Adigal Salai, Kumbakonam - 612 001 to transact the following business.

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March 2013, the Directors' Report and the Auditor's Report thereon.
2. To appoint a Director in the place of Prof. V. Kamakoti, who retires by rotation and being eligible, seeks re-election.
3. To appoint a Director in the place of Justice. S.R. Singharavelu, who retires by rotation and being eligible, seeks re-election.
4. To appoint a Director in the place of Shri. C.R. Muralidharan, who retires by rotation and being eligible, seeks re-election.
5. To appoint Auditors and if thought fit to pass with or without modification the following resolution as an ordinary resolution.

RESOLVED THAT M/s. P. Chandrasekar, Chartered Accountants, Bangalore be and are hereby appointed as the Statutory Central Auditor of the Bank in the place of the retiring Auditor M/s. Jagannathan & Sarabeswaran, Chartered Accountants, Chennai from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Bank at a remuneration as may be fixed by the Board of Directors of the Bank. The bank has obtained the approval from Reserve Bank of India.

AS SPECIAL BUSINESS :

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

RESOLVED THAT in terms of Section 228 of the Companies Act, 1956, the Board of Directors be and is hereby authorized, to appoint the Branch Auditors for audit of all branches / offices of the bank for the year 2013-2014 in consultation with Bank's Statutory Central Auditor and fix their remuneration.

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

RESOLVED THAT Shri. S. Mahalingam be and is hereby appointed as a Director of the Bank, liable to retire by rotation.

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

RESOLVED THAT pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, the existing Sub-Article (vi) of Article 4 of the Articles of Association be and is hereby replaced with the following Article.

"(vi) Subject to the applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA) (including any modifications or re-enactment thereof) the Banking Regulation Act 1949, the Companies Act 1956, and all applicable laws, regulations and subject to the approval of the Central Government, Reserve Bank of India and such other regulatory authorities, if and to the extent required, the investment by all FII's put together shall not exceed 35% of the paid up share capital of the Bank at any period of time, subject however that no individual FII's or group shall hold at any period of time more than 5% of the paid up share capital of the Bank or such other lesser percentages as may be prescribed by the RBI in this regard from time to time.

The total / individual shareholding limit in case of all NRI's both on repatriation and non-repatriation basis shall not exceed 5% of the paid up share capital of the Bank at any point of time or such other lesser percentage as may be prescribed by RBI from time to time.

While allotting further shares and / or transferring or transmitting the shares of the Bank, the Board of Directors shall have the power to exercise its right of refusing / rejecting / restricting allotment of further shares and / or transfer and / or transmission of the shares to one or more persons or entities despite the provisions contained in Section 81, Sections 108 to 111 and other applicable provisions of the Companies Act, 1956, including any amendment thereto, for the purposes of complying with the restrictions contained in the foregoing paragraphs of this Article".

9. To consider and if thought fit, to pass the following resolution, with or without modifications, as a Special Resolution.

RESOLVED THAT pursuant to Section 81 (1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Bank, the Listing Agreement entered into with the Stock Exchanges and subject to the provisions of Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 the provisions of the Foreign Exchange Management Act, 1999, applicable rules, regulations, guidelines or laws and/or any approval, consent, permission or sanction of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as the "appropriate authorities") and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission and / or sanction (hereinafter referred to as the "requisite approvals") which may be agreed to by the Board of Directors of the Bank (herein after called the "Board" which term shall be deemed to include any Committee which the Board may have constituted or Board be and is hereby authorized, to offer, issue and allot, by way of Qualified Institutional Placement (QIP), to Qualified Institutional Buyers (QIB), in terms of Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, whether or not such investors are existing members of the Bank, through one or more placements to raise an amount not exceeding ₹ 350 crore by issue of Equity shares of ₹ 1/- each at such price or prices including premium on each share, as the Board or the appointed Committee thereof may determine in accordance with the Guidelines and where necessary in consultation with Lead Managers and / or other Advisors.

RESOLVED FURTHER THAT the QIP issue shall be completed within 12 months from the date of this resolution.

RESOLVED FURTHER THAT the allotment to each Qualified Institutional Buyer (QIB) in the proposed QIP issue will not exceed 5% of the post issue paid up share capital of the Bank.

RESOLVED FURTHER THAT the relevant date for the determination of applicable price of securities for the QIP issue shall be the date on which the Board of the Bank decide to open the proposed issue, or the date on which the holder of the securities which are convertible into or exchangeable with Equity shares at a later date becomes entitled to apply for the said shares, as the case may be ("Relevant Date").

RESOLVED FURTHER THAT such shares to be issued as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion thinks fit in accordance with the provisions of law.

RESOLVED FURTHER THAT the Equity shares so issued shall rank *pari passu* with the existing Equity shares of the Bank in all respects.

RESOLVED FURTHER THAT the Equity shares to be offered and allotted to the QIB's shall be in dematerialized form.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity shares the Board or a Committee be and is hereby authorized on behalf of the Bank to do all such acts, deeds, matters and things as it may, in absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, for entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement document(s) and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue (s) or allotment(s) as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT the Board or the Committee be and is hereby authorized to appoint the Lead Manager in offering of securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with Lead Manager and to seek the listing of such securities.

RESOLVED FURTHER THAT the Bank to apply for listing of the new Equity shares as may be issued with the Madras Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

RESOLVED FURTHER THAT the Bank do make an application to the National Securities Depository Limited and/or Central Depository Services (India) Limited for admission of the above said Equity shares to be allotted on QIP basis.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or the Managing Director and Chief Executive Officer or any other Officer / Authorised representative of the Bank to give effect to the aforesaid resolution.

By Order of the Board
For City Union Bank Limited

Chennai
29.07.2013

V. Ramesh
DGM & Company Secretary

Notes :-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf only on a poll and such proxy need not be a member. The proxy forms, duly stamped and completed should reach the Registered Office of the Bank at least 48 hours before the time fixed for the commencement of the meeting.
2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 relating to item no 5 to 9 is annexed hereto.
3. Members are requested to bring with them the enclosed attendance slip and hand it over duly signed by them at the entrance of the Meeting Hall.
4. Shareholders who happen to hold shares in identical orders of names in different folios of the Register of Members are requested to write to the Bank, enclosing their share certificates, to enable the Bank to consolidate their holdings.
5. Pursuant to Section 205A of the Companies Act, 1956, the dividend amounts which have remained unclaimed for a period of seven years, will be transferred to "Investor Education and Protection Fund", the Fund established by the Central Government, in terms of Section 205C of the Companies Act, 1956, and members / beneficial owners can not make any claim for the dividend once amounts in the unclaimed dividend account are transferred to such Fund. Accordingly, the amount of Dividend Warrants issued to the members in the year 2006 (pertaining to the year 2005-06), which have remained unclaimed will be transferred to "Investor Education and Protection Fund" established by the Central Government and members / beneficial owners cannot make any claim for the dividend.

The Bank had already transferred Unclaimed Dividend for the financial years 2002-2003, 2003-2004 and 2004-2005 to the Investor Education & Protection Fund established by the Central Government, in terms of Section 205C of the Companies Act, 1956, and the members / beneficial owners can not make any claim for the dividend.

Members who have not yet encashed the amount of Dividend Warrants issued to them in 2007, 2008 (I & F), 2009, 2010, 2011 and 2012 (pertaining to the years 2006-07, 2007-08(I & F), 2008-2009, 2009-2010, 2010-2011 and 2011-2012) are requested to send the same to the Registered Office for revalidation and encashment at any of our branches.

Additional information pursuant to Clause 49 of the listing agreement given in respect of the Directors seeking appointment / re-appointment.

Item No. 2

Prof. V. Kamakoti aged 44 years, B.E. M.S., Ph.D, is a professor in the Department of Computer Science and Engineering in Indian Institute of Technology, Chennai. Prof. V. Kamakoti is an Independent Non Executive Director. He has been associated with our Bank since 2011. He has been appointed to our Board under the Majority Sector in Technology. He is holding 1250 shares of the Bank.

Item No.3

Justice S. R. Singharavelu, aged 65 years, B.Sc., BL., is a former Judge of High Court of Madras and High Court of Orissa. He has vast experience of 36 years in the Judiciary. Justice S. R. Singharavelu is an Independent Non Executive Director. He has been associated with our Bank since 2010. He is presently under the Majority Sector in Agriculture and Rural Economy in the Board. He is holding 4119 shares of the Bank.

Item No.4

Shri. C. R. Muralidharan, aged 65 years, B.Sc., CAIIB, has held various position in Reserve Bank of India. He retired as Chief General Manager, Reserve Bank of India. Shri. C. R. Muralidharan is an Independent Non Executive Director. He has extensive experience in Regulatory Banking. He was also a whole time member of Insurance Regulatory and Development Authority (IRDA). He has been associated with our Bank since 2010. He has been appointed to our Board under the Majority Sector in Banking. He is holding 1287 shares of the Bank.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**Item No.5**

Your bank has received a special notice from a member under Section 225 of the Companies Act, 1956 proposing to move the resolution indicated in item no. 5 of the accompanying notice for appointment of M/s. P. Chandrasekar, Chartered Accountants, as the Statutory Central Auditor in the place of the existing Auditor, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

The existing Auditor have been duly informed with a copy of the aforesaid notice.

Item No. 6

The passing of this resolution is necessary to meet the requirement of Section 228 of the Companies Act, 1956, in terms of which the accounts of every branch of the bank is required to be audited either by the Bank's Auditor or by a person qualified for the appointment.

None of the Directors is interested in the resolution.

Item No. 7

Shri. S. Mahalingam, aged 65 years is a Bachelor of Commerce (Honours) and Associate Member of Institute of Chartered Accountants of India. He has retired as Chief Financial Officer and Executive Director of Tata Consultancy Services. At present he is a Director in Nani Palkhivala Arbitration Centre, Tata Realty and Infrastructure Limited, CMC Limited, CSI Publications and National Skill Development Corporation. He was appointed as Additional Director with effect from 22nd July, 2013 pursuant to Section 260 of the Companies Act, 1956, representing Majority Sector as per Section 10A(2)(a) of the Banking Regulation Act, 1949, as an Independent and Non Executive Director in compliance to Clause 49 of the Listing Agreement. In terms of Section 260 of the Companies Act, 1956, he will hold office upto the date of this Annual General Meeting. Notice under Section 257 of the Companies Act, 1956, has been received from a member of the Bank along with the prescribed deposit for appointment of the co-opted Director as Director of the Bank. Shri. S. Mahalingam is holding 6250 shares of the Bank.

None of the Directors is deemed to be concerned or interested in the said resolution except Shri. S. Mahalingam.

Item No. 8

The RBI by press release dt. 28/02/2005 in exercise of the powers conferred on it by Reserve Bank of India Act 1934 have revised the limits of shareholdings in Indian Companies by FII's & NRI's. Your directors have decided to replace the existing Article No. 4 (vi) with a new Article restricting the shareholdings of FII's & NRI's as stated in the Agenda No 8 of this Notice for the ensuing Annual General Meeting.

Any alteration to the Articles of Association is to be approved by passing Special Resolution by the shareholders pursuant to Section 31 of the Companies Act, 1956 and hence the subject is placed before the meeting.

The Board recommends for approval of the amendment to the Articles by passing Special Resolution.

None of the Directors is personally interested in the Agenda Item.

The documents and the connected papers relating to the Agenda Item are open for inspection on all working days between 10 am to 12 noon.

Item No.9

The present Authorized Capital of the Bank is ₹ 100 crore and the Issued and Paid up Capital is ₹ 53.72 crore divided into 53,55,43,575 Fully paid Equity shares of ₹ 1/- each and 33,96,283 Partly paid Equity shares of ₹ 0.50 paise each. The Bank has implemented CUB Employees Stock Option Scheme (CUB ESOS 2008) for issue of ₹ 5 crore Equity shares of ₹ 1/- each to the eligible employees of the Bank.

The Bank is continuing to grow organically and has shown steady growth during the last few years. The Bank foresees rise in demand for credit in various sectors including retail banking market and the success in availing a strong share in this business opportunity rests on the ability of the Bank to raise funds by way of Equity. As a proactive move to leverage on the available business opportunities and for maintaining appropriate regulatory capitalization levels, the Bank proposes to increase its issued and paid up capital, by issue of further Equity shares to raise an amount not exceeding ₹ 350 crore by issue of Equity shares of ₹ 1/- each per share of face value of ₹ 1/- each with such premium as the Board may decide.

The exact nature, proportion, size and timing of the issue of Securities will also be decided by the Board based on the analysis of the specific requirements after consulting all concerned.

The Board of Directors of the Bank is of the considered view that a Qualified Institutional Placement (QIP) of the shares of your Bank would be less time consuming and more economical.

Accordingly, your Bank proposes to make a further issue of shares by way of a QIP in terms of Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. These shares will be allotted only to Qualified Institutional Buyers (QIB's) as per the Guidelines issued and there will be no issue to retail individual investors and existing retail shareholders. The exact price, proportion and timing of the issue will be decided by the Board based on an analysis of the specific requirements after consulting all concerned. Therefore the proposal seeks to confer upon Board the absolute discretion to determine the terms of issue in consultation with the Lead Managers to the Issue.

The said QIP by the Board shall be subject to the provisions of Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 including the pricing, which will not be less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the Relevant Date. The Relevant Date for the determination of applicable price for the issue of the QIP shall be the date of the meeting in which the Board of the Bank decide to open the proposed issue. For the reasons aforesaid, an enabling resolution is proposed to be passed to give adequate flexibility and discretion to the Board to finalize the terms of the issue. The shares issued pursuant to the offering would be listed on the stock exchanges.



In accordance with the Guidelines, special resolution of shareholders in accordance with Section 81 (1 A) of the Companies Act, 1956 is required for a QIP Issue. The special resolution has a validity period of 12 months before which allotments under the authority of said resolution should be completed.

The proposed offer is in the interests of the Bank and the Directors recommend the passing of the resolution under this item as a special resolution.

None of the Directors is in any way, concerned or interested in this resolution.

By Order of the Board
For City Union Bank Limited

V. Ramesh
DGM & Company Secretary

Chennai
29.07.2013