



# CITY UNION BANK LIMITED

Registered Office : 149 T.S.R. (Big) Street, Kumbakonam - 612 001

Phone : 0435 - 2432322, 2431622 Fax : 0435 - 2431746

E-mail : shares@cityunionbank.com Website : www.cityunionbank.com

## 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 Monday the 31st August, 2009, at 11.00 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, 2009, the Directors' Report and the Auditor's Report thereon.
2. To declare dividend for the year 2008-2009.
3. To appoint a Director in the place of Shri. N. Sankaran, who retires by rotation and being eligible, seeks re-election.
4. To appoint a Director in the place of Shri M. Naganathan, who retires by rotation and being eligible, seeks re-election.
5. To appoint a Director in the place of Shri. R. G. Chandramogan, who retires by rotation and being eligible, seeks re-election.
6. To appoint Auditors for the year 2009-2010 and fix their remuneration.

Resolved that M/s. Jagannathan & Sarabeswaran, Chartered Accountants, Chennai be and are hereby appointed as the Statutory Central Auditors of the Bank in the place of the retiring Auditors M/s. Abarna & Ananthan, Chartered Accountants, Bangalore 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 :

7. 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 authorised, to appoint the Branch Auditors for audit of all branches/offices of the bank for the year 2009-10 in consultation with Bank's Statutory Central Auditors and fix their remuneration.

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

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

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

RESOLVED THAT pursuant to Article 26(g) of the Articles of Association of the Bank and approval accorded by the Reserve Bank of India under the provisions of the Section 10B(1A) of the Banking Regulation Act, 1949 and other applicable provisions of the Companies Act, 1956, the appointment of Shri P Vaidyanathan as part time Non Executive Chairman of the Bank for a period of two years from 27.04.2009 on the following terms and conditions be and is hereby approved.

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Sno	Particulars	
1	Salary	50000/- per month
2	Conveyance Allowance	Office Car with Driver will be provided for official purposes
3	Phone	Provision of residential phone and mobile phone
4	Travelling & Halting Allowances	As applicable to other directors of the bank
5	Other benefits	Entitled to sitting fees for attending Board and Committee Meetings as applicable to other directors
6	Insurance Cover	Insurance Cover up to Rs.10,00,000/- for journey by Air/Road/Rail for official purposes

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

Resolved that Shri. S Balasubramanian be and is hereby appointed as a Managing Director & CEO of the Bank, not liable to retire by rotation.

Resolved further that pursuant to Article 26 (a) (i) of the Articles of Association of the Bank and approval accorded by the Reserve Bank of India under the provisions of the section 35B of the Banking Regulation Act, 1949 and other applicable provisions of the Companies Act, 1956, the appointment of Shri. S Balasubramanian as Managing Director and Chief Executive Officer of the Bank for a Period of two years from 31.01.2009 on the following terms and conditions be and is hereby approved.

#### REMUNERATION AND PERQUISITES

1.	Salary	Rs.2,00,000/- per month
2.	House Rent Allowance	Rs.5,000 p.m.
3.	Entertainment allowance	Reimbursement of actual personal entertainment expenses on production of bills. Entertainment expenses will be inclusive of entrance fees/subscription to clubs and should be restricted to two clubs/professional institutions.
4.	Provident Fund	Bank's contribution to Provident Fund at 10 % of the Basic Pay
5.	Medical Benefits (i) Medical Aid  (ii) Hospitalisation  (iii) Superannuation Medical benefit	Reimbursement of actual medical expenses for self and his spouse.  Reimbursement of actual hospitalisation charges to the MD/CEO and his spouse.  Upon the MD/CEO laying down his office, the bank will reimburse hospitalisation and other medical expenses or pay the full premium under a suitable medical insurance plan for himself and his spouse.
6.	Leave	As per rules applicable to other officers of the Bank. Encashment of privilege leave at credit will be at the time of demitting office.

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7.	Leave Fare Concession	Once in a year anywhere in India by eligible class.
8.	Gratuity	As applicable to other officers of the Bank. However, as and when actual payment is proposed to be made, prior approval of Reserve Bank of India should be obtained.
9.	Travelling and Halting Allowances	Reimbursement of actual travelling expenses i.e., single fare each way by train by highest class or by air (executive class) plus any further transport and other incidental expenses incurred in traveling to and fro the places of meeting/business.  HALTING ALLOWANCE  (a) Lodging Reimbursement of actual lodging expenses (including taxes) against production of bills and vouchers  (b) Boarding charges Reimbursement of actual expenses towards boarding (inclusive of Taxes)
10.	Conveyance	Free use of bank's car with driver for official purposes. If the car is used for private purposes, the MD/CEO should reimburse the bank Rs.250/- per month for journeys not exceeding 750 kms in a month (journeys from residence to office and vice versa to be treated as duty runs). Charges for private use of bank's car in excess of 750 kms limit will be recoverable from the MD/CEO at 60 % of the rate fixed by the Regional Transport Authority.
11.	Insurance Cover	For journeys by air, rail or road on official purposes, the MD/CEO will be provided with insurance cover of Rs.10,00,000 by the bank.
12.	Telephone	Free use of bank's telephone at the residence of MD/CEO.

11. 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 Company, the Listing Agreements entered into with the Stock Exchanges and subject to the provisions of Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 ("SEBI DIP Guidelines") the provisions of the (Foreign Exchange Management Act, 1999) Regulations, 2000, 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 XIII-A of the Guidelines, whether or not such investors are existing Members of the Bank, through one or more placements to raise an amount not exceeding Rs.300 crores by issue of Equity Shares of Re.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 capital of the Bank.

RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the QIP Securities 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 of 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 QIBs 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 be and is hereby authorized to appoint the Lead Manager in offerings 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 representatives of the Bank to give effect to the aforesaid resolution.

By Order of the Board  
For **CITY UNION BANK LIMITED**

Kumbakonam  
30-06-2009

**V RAMESH**  
AGM & Company Secretary

**CUB****CITY UNION BANK LIMITED****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 nos.6 to 11 is annexed hereto.
3. The dividend on the Equity Shares as recommended by the Board will be paid on the approval of the members of the bank to the eligible Equity Shareholders whose names appear in the Bank's Register of Members as on 12th August, 2009 and to the eligible beneficial owners whose names appear in the list provided by the Depositories, National Securities Depositories Limited and Central Depository Services (India ) Limited as on 7th August, 2009.
4. The Register of Members and Share Transfer Books will remain closed from 08-08-2009 to 12-08-2009 (both days inclusive)
5. Bank account details

The Shareholders of the Company holding shares in physical form are hereby informed that it is mandatory to incorporate the bank account particulars of the shareholders in the dividend warrant. The shareholders who have not furnished the bank account details are requested to inform the Company's Registrars and Share Transfer Agents their respective bank account no. with full name of the bank and branch, nature of the account, which would enable the Registrars and Share Transfer Agents to print the Bank Mandate particulars on the dividend warrants. These details may be sent to the Company's Registrars and Share Transfer Agents so as to reach them by 7th August, 2009.

Shareholders holding shares in electronic form should note that the bank particulars furnished by them to their Depository Participant will be used while printing the dividend warrant. Hence, the shareholders who have not furnished the bank account details are requested to contact their Depository Participant for updating the particulars.

6. Members are requested to notify changes, if any, in their addresses immediately to our Share Transfer Agents, Integrated Enterprises (India) Limited, Kences Towers, Second Floor, No.1, Ramakrishna Street, Off-North Usman Road, T. Nagar, Chennai - 600 017 giving full addresses in block letters with PIN CODE.
7. Members are requested to quote the folio of the Register of Members/Client ID & DPID number in all their correspondence.
8. 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.
9. 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.
10. 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". A 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

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2002 (pertaining to the year 2001-02), 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 1998-99, 1999-00 and 2000-01 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 2002, 2003, 2004, 2005, 2006, 2007 and 2008 (pertaining to the FY 2001-02 to 2007-08) 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 with National Stock Exchange of India Limited, Mumbai & Bombay Stock Exchange Limited, Mumbai in respect of the Director seeking re-election.

**Item No. 3**

Shri N. Sankaran, aged 68 years, B.E. (Civil) is a Member of the Institute of Engineers. He is an Agriculturist and has special knowledge in Agriculture. Shri N Sankaran is holding 29800 shares in the Bank.

**Item No.4**

Shri M. Naganathan, aged 69 years, B.Com., F.C.A., is a practicing Chartered Accountant. He is a senior partner in M/s. Price Patt & Co., Chartered Accountants, Chennai. He is having wide experience in Accountancy. Shri M. Naganathan is holding 1000 shares in the Bank.

**Item No.5**

Shri R. G. Chandramogan, aged 60 years, is an Industrialist. He is the Chairman & Managing Director of Hatsun Agro Product Limited and Director in Tonokya Food Private Limited. Shri R. G. Chandramogan is holding 1000 shares in the Bank.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.****Item No.6**

Your bank has received a special notice from the members under Section 225 of the Companies Act, 1956 proposing to move the resolution indicated in item no.6 of the accompanying notice for appointment of M/s. Jagannathan & Sarabeswaran, Chartered Accountants, as the Statutory Central Auditors in the place of the existing Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

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

**Item No. 7**

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 Auditors or by a person qualified for appointment.

None of the Directors is interested in the resolution.

**CUB****CITY UNION BANK LIMITED****Item No.8**

Shri T. K. Ramkumar, aged 53 years, B.Com., B.L. is a partner in M/s. Ram & Rajan & Associates, Partnership firm of Advocate, Chennai and he possesses knowledge and experience in Banking Law, Company Law, Intellectual property rights Civil etc. He was appointed as Additional Director with effect from 11th June, 2009 pursuant to section 260 of the Companies Act, 1956, representing Majority Sector as per Sec. 10A(2)(a) of the Banking Regulation Act, 1949 and a non independent, 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 T. K. Ramkumar is holding 23300 shares in the bank.

**Item No.9**

Shri P. Vaidyanathan was appointed as part time Non Executive Chairman of the Bank in the Board Meeting held on 27th April, 2009 for a period of two years from 27th April, 2009. The Reserve Bank of India has accorded its approval under Section 10B(1A) of the Banking Regulation Act, 1949 for his appointment as part time Non Executive Chairman of the Bank as per the terms and conditions set out in the resolution.

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

**Item No.10**

Shri S. Balasubramanian, aged 63 years, has been appointed as Managing Director and Chief Executive Officer of the Bank for a period of two years from 31.01.2009 at the Board Meeting held on 28th January, 2009. The Reserve Bank of India has accorded its approval under Section 35 B of the Banking Regulation Act, 1949 for his appointment as Managing Director and Chief Executive Officer of the Bank for a period of two years from 31st January, 2009 to 30th January, 2011 as per the terms of remuneration as set out in the resolution.

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

The Board of Directors of the Bank recommends the resolution for approval by the members.

**Item No.11**

The objective of every commercial enterprise is to grow. In the case of banking company as business grows so should the capital increase. With emerging economic scenario, there are no boundaries for growth and banking sector has been benefited by the growth and prospects thrown up by the buoyant economy. Added to the economic and regulatory factors, innovative technological banking methods have to be introduced and such methods have to be not only updated but also have to be upgraded from time to time.

Your 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 success in availing a strong share in this business opportunity rests on the ability of the Bank to raise funds by way of Equity during the financial year. As a proactive move to leverage 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 Rs.300 crores by issue of equity shares of Re. 1/- each per share. The Board of Directors of your 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 XIII A of the Securities and Exchange Board of India (Disclosures and Investor Protection) Guidelines, 2000. These shares will be allotted only to Qualified Institutional Buyers (QIBs) as per the Guidelines issued and there will be no issue to



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retail individual investors and existing retail shareholders. The exact price, proportion and timing of the issue of Securities 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 SEBI DIP Guidelines (as amended from time to time) 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 decides to open the proposed issue. 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. 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(1A) 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 are in any way, concerned or interested in this resolution

By Order of the Board  
For **CITY UNION BANK LIMITED**

Place : Kumbakonam  
Date : 30-06-2009

**V RAMESH**  
AGM & Company Secretary