



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 Saturday the 27th August, 2011 at 10.35 a.m. at "Raya Mahal", 45-46, Gandhi Adigal Salai, Kumbakonam - 612001 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 2011, the Directors' Report and the Auditor's Report thereon.
2. To declare dividend for the year 2010-2011
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 a Director in the place of Shri. R.G. Chandramogan, who retires by rotation and being eligible, seeks re-election.
6. To appoint Auditors and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED THAT M/s. Jagannathan & Sarabeswaran, Chartered Accountants, Chennai be and are hereby re-appointed as Statutory Central Auditors of the Bank to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting on a remuneration and out of pocket expenses, if any, to be fixed by the Board of Directors, on the recommendation of the Audit Committee of the Board."

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 authorized, to appoint the Branch Auditors for audit of all branches / offices of the bank for the year 2011-2012 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 Prof. V. Kamakoti 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 an Ordinary Resolution.

"RESOLVED THAT Dr. N. Kamakodi be and is hereby appointed as a Director 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 received from Reserve Bank of India under the provisions of the Section 35 B of the Banking Regulation Act, 1949 and other applicable provisions of the Companies Act, 1956, the appointment of Dr. N. Kamakodi as Managing Director & Chief Executive Officer of the Bank for a period of 3 years w.e.f. May 1, 2011 on the terms and conditions be and is hereby approved."

Sr No.	Particulars	
01.	Salary	Rs. 24 lakh per annum
02.	Perquisites House Rent Allowance	Rs.90,000 p.a. or free furnished residential accommodation to be provided by the bank.
03.	i. Entertainment Allowance ii. Subscriptions to news papers / journals, etc.,	Reimbursement of actual personal entertainment expenses on production of bills. Entertainment Allowance will be inclusive of entrance fees / subscription to clubs and should be restricted to two clubs / professional institutions. News papers / Magazines as may be required by the MD & CEO
04.	Other Allowances- Stock Option / Performance Bonus	Bank may have to approach RBI separately for approval for grant of ESOPs as and when considered by the Board.
05.	Provident Fund	Bank's contribution to Provident Fund at 10% of Basic pay.
06.	Medical Benefits Medical Aid including Hospitalisation	Reimbursement of actual medical expenses for self and dependent family members.
	Superannuation medical benefits	Upon MD & CEO laying down his office the bank will reimburse hospitalization and other medical expenses or pay the full premium under suitable medical insurance plan for him and dependent family members.
07.	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.
08.	Leave Fare Concession	Once in a year anywhere in India or outside India for self and family by eligible class including incidentals.
09.	Gratuity	As applicable to other officers of the bank. However, as and when actual payment is proposed to be made, prior approval of RBI should be obtained.
10.	Travelling and Halting Allowances Lodging and Boarding	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 travelling to and fro the places of meeting / business. The Halting Allowance Lodging Reimbursement of actual lodging expenses (including taxes) against production of bills and vouchers. Boarding Charges Reimbursement of actual expenses towards boarding (inclusive of taxes)
11.	Conveyance	Free use of bank's car with driver for official purposes. If car is used for private purposes, the MD/CEO should reimburse the bank Rs.250/- per month for journey not exceeding 750 kms in a month. (Journey 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 Regional Transport Authority.
12.	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.
13.	Telephone	Free use of bank's telephone at the residence and mobile phone.

10. To consider and if thought fit, to pass with or without modification the following resolution as an 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 Section 10 B of the Banking Regulation Act, 1949 and other applicable provisions of the Companies Act, 1956, the appointment of Shri S Balasubramanian as Non-executive Chairman (Part Time basis) of the Bank for a period of 3 years from 06.05.2011 on the following terms and conditions be and is hereby approved."

Sr No.	Items	Remuneration
01.	Remuneration	Rs. 12 lakh per annum. (no sitting fee to be claimed)
	Perquisite	
02.	Conveyance	Office car with driver
03.	Telephone	Provision of residential telephone and mobile phone
04.	Travelling & Halting Allowance	As applicable to MD & CEO of the Bank
05.	Insurance	Insurance cover up to Rs.10,00,000 for journey by Air/Road/ Rail for official purpose

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 Bank, the Listing Agreements 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 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 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 / authorised 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 or the committee 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 representative of the Bank to give effect to the aforesaid resolution".

By order of the Board
For CITY UNION BANK LIMITED

Chennai
24.06.2011

V. Ramesh
AGM & 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 in order to be effective 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.7 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 27-08-2011 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 16-08-2011.
4. The Register of Members and Share Transfer Books will remain closed from 17-08-2011 to 27-08-2011 (both days inclusive)
5. Bank account details :-

The Shareholders of the Bank 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 16-08-2011.

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, M/s. Karvy Computershare Private Limited, Unit : City Union Bank Limited, Plot No. 17-24, Vithal Rao Nagar, Madhapur, Hyderabad - 500 081 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. In terms of Section 205C of the Companies (Amendment) Act, 1999, 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 Act, 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 2004 (pertaining to the year 2003-04), 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 2000-2001, 2001-2002 and 2002-2003 to the Investor Education & Protection Fund established by the Central Government, in terms of Section 205C of the Act, and the members/beneficial owners cannot make any claim for the dividend.

Members who have not yet encashed the amount of Dividend warrants issued to them in the year 2005, 2006, 2007, 2008, 2009 and 2010 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 Limited, Mumbai & Bombay Stock Exchange Limited, Mumbai in respect of the Director seeking re-election.

Item No. 3

Justice. S. R. Singharavelu, aged 63 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. He is holding 2500 shares of the Bank. After his retirement from Judiciary, he is now actively engaged in the Agricultural operations.

Item No.4

Shri. C. R. Muralidharan, aged 63 years, B.Sc., CAIIB, has held various positions in Reserve Bank of India. He retired as Chief General Manager, Reserve Bank of India. He has extensive experience in regulatory Banking. He was also a whole time member of Insurance Regulatory and Development Authority (IRDA). He is holding 1000 shares of the Bank.

Item No.5

Shri. R. G. Chandramogan, aged 62 years, is a well known Industrialist in South India. He is the Chairman & Managing Director of Hatsun Agro Product Limited which is the largest procurer of milk in the country. He is a member in Screening Cum Implementation Group - Secondary Agriculture and Working Group on Animal Husbandary & Dairying, both constituted by Planning Commission, Government of India. CII has appointed him as a member in CII National Council on Agriculture. He is holding 1250 shares of the Bank.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

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 the appointment.

None of the Directors is interested in the resolution.

Item No.8

Prof. V. Kamakoti, aged 42 years, B.E. M.S., Ph.D., is a professor in the Department of Computer Science and Engineering in Indian Institute of Technology, Chennai. He is an expert in Computer Science & technology, his forte is Information Technology related secured systems engineering and security related software engineering. He was appointed as Additional Director with effect from 27th April, 2011 pursuant to section 260 of the Companies Act, 1956, representing majority sector as per Sec. 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. He is holding 1000 shares of the Bank.

None of the Directors is deemed to be concerned or interested in the said resolution except Prof. V. Kamakoti.

Item No. 9

The term of office of Shri. S. Balasubramanian as MD & CEO of the Bank expired on 30.04.2011. The Reserve Bank of India vide its letter no. DBOD 16522/08.42.001/2010-11 dated 26.04.2011 conveyed its approval for the appointment of Dr. N. Kamakodi as Managing Director & Chief Executive Officer of the Bank based on the recommendation of the Board for a period of three years effective from 01.05.2011 on the terms and conditions as set out in the Resolution.

Dr. N. Kamakodi, B.Tech, M.B.A, CAIIB, Ph.D. aged 36 years, who had joined the Bank as Deputy General Manager in the year 2003 was elevated to the post of General Manager in 2005 and later as Executive Director in 2006. His designation was changed to Executive President w.e.f 01.01.2011. Dr. N. Kamakodi who has an excellent academic background has also acquired hands on experience on the overall operations of the Bank. The Bank would immensely benefit from his appointment as Managing Director & CEO of the Bank. He is holding 9,22,474 shares of the Bank.

None of the Directors is deemed to be concerned or interested in the said resolution except Dr. N. Kamakodi.

Item No.10

The Reserve Bank of India vide its letter no. DBOD. 16518/08.42.001/2010-11 dated April 26, 2011 has accorded its approval under Section 10B of the Banking Regulation Act, 1949 for the appointment of Shri. S. Balasubramanian as Non-executive Part-time Chairman of the Bank for a period of three years from the date of assuming office based on the recommendation of the Board as per the terms and conditions set out in the resolution. He has assumed his office as Non Executive Chairman (part time basis) with effect from 06th May, 2011.

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

Item No. 11

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 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 Rs.300 crores (inclusive of premium) 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 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 (QIBs) 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 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 (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

Place : Chennai
Date : 24-06-2011

V RAMESH
AGM & Company Secretary