ఆంధ్రాబ్యాంక్
(భారత ప్రభుత్వ సంస్థ)
आन्ध्रा बैंक
(भारत सरकार का उपक्रम)
ANDHRA BANK
(A Govt. of India Undertaking)

आन्ध्रा बैंक
प्रधान कार्यालय
"डॉ. पट्टाभि भवन"
5-9-11, सैफाबाद
हैदराबाद - 500 004

ANDHRA BANK
HEAD OFFICE
"Dr. PATTABHI BHAVAN",
5-9-11, SAIFABAD,
HYDERABAD-500 004.

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Merchant Banking Division
Telefax 040-23230883;Tel.No.040-23252371/2388
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Lr.No.666/25/P.166/525 Dt:08.01.2014

The National Stock Exchange
Of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051.
Fax: 022-26598237/38

SYMBOL: ANDHRABANK

Dear Sirs,

Sub: Minutes of the Extra-ordinary General Meeting of shareholders of the Bank held on 19th December, 2013 at Hyderabad - Clause 31(d) of the Listing Agreement

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In pursuance of Clause 31(d) of the Listing Agreement, we forward herewith a copy of the Minutes of the Extra-ordinary General Meeting of shareholders of the Bank held on Thursday, 19th December, 2013, at Hyderabad, for your information and records.

Encl: as above

Yours sincerely,

टी.आर. रामभद्रन (T.R.Ramabhadran)
उप महा प्रबन्धक Deputy General Manager
& कंपनी सचिव Company Secretary

Andhra Bank M.B. Division H.O. Hyd.

MINUTES OF THE EXTRA-ORDINARY ANNUAL GENERAL MEETING HELD ON THURSDAY, THE 19TH DECEMBER, 2013 AT 11.00 A.M. AT SRI SATHYA SAI NIGAMAGAMAM, 8-3-987/2, SRINAGAR COLONY, HYDERABAD – 500 073.

The following Directors were present:

Sri C.VR. Rajendran	Chairman & Managing Director
Sri K.K. Misra	Executive Director
Sri S.K. Kalra	Executive Director
Sri G.R. Sundaravadivel	Director
Sri Nandlal L. Sarda	Director
Sri N.V.R. Reddy	Director
Dr. Naina Sharma	Director

M/s. MCS Limited, Mumbai, Registrars & Share Transfer Agents, had made proper arrangements for issue of Attendance Slips-cum-Entry Pass to the shareholders.

The number of valid proxies received and the attendance recorded at the meeting is as under:

Nature of Representatives	No.of proxies / authorization letters received	No.of shares	No. of representatives attended	No. of shares
Shareholders attended in person	---	---	589	272250
Proxies	71	7965	69	7665
Authorised Representatives (incl. Govt of India)	95	106007007	115	439192691
Total	166	106014972	773	439472606

Andhra Bank M.B. Division H.O. Hyd.

Commencement of Proceedings:

Sri T.V.S.Chandrasekhar, General Manager (Corp. Communications), Andhra Bank, welcomed the Directors on the Board of the Bank and introduced them to the shareholders of the Bank. Thereafter, he welcomed the shareholders to the Extra-ordinary General Meeting of the Bank.

He then requested Sri C.VR.Rajendran, Chairman & Managing Director of the Bank to conduct the proceedings.

The Chairman & Managing Director greeted all the members present at the meeting and with the requisite quorum of five shareholders pursuant to Regulation 58(i) of the Andhra Bank (Shares & Meetings) Regulations, 2003 being present, he called the meeting to order.

Sri C.VR.Rajendran, Chairman & Managing Director announced that the Bank had received valid 71 proxies for 7965 Equity shares and 96 letters appointing the authorized representatives for 43,05,87,371 equity shares, at the close of business hours on 14th December, 2013, being the last day for receipt of Proxies. The same are found to be valid and are in order.

It was further stated that the EGM Notice to the shareholders had been published in the Newspapers - Business Line (English) and Andhra Prabha (Telugu) on November 22nd, 2013 and the same was also placed on the website of the Bank. It is informed that the soft copy of the said EGM Notice and Explanatory Statement thereto were sent by e-mail to such shareholders whose e-mail ids were registered and physical copies of the same were sent by post to those shareholders whose e-mail ids were not available with the Registrars. Hence, the Notice was taken as read.

Chairman's Speech:

The Chairman then informed the shareholders in detail about the Agenda Items which are related to raising of capital. The same is enclosed as Annexure-I.

Then the Chairman then took the first item on the Agenda:

Discussion of Agenda Items:

The Chairman then took the first item on the Agenda:

"Approval for issue of 3,00,34,539 equity shares of Rs.10/- each for cash at an issue price of Rs.66.59p. per equity share (including the premium of Rs.56.59p. per equity share) on preferential basis to Government of India pursuant to Chapter VII of SEBI (Issue of Capital & Disclosure Requirement) Regulations, 2009, as a Special Resolution".

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Sri Suresh Chand Jain, a shareholder, Client ID 1205450000013791 proposed the above resolution and the same was seconded by Sri M.Ramesh, a shareholder, Client ID 1301440000011101.

Further, then Chairman took the second item of Agenda:

"Approval for issue of such number of equity shares of Rs.10/- each for cash at an Issue Price including premium to be decided in accordance with SEBI (Issue of Capital & Disclosure Requirement) Regulations, 2009 at an appropriate time to be decided by the Board and in such manner that the Central Government's stake in equity paid up capital of the Bank will not go below such percentage as may be decided by Government of India through any of the permissible modes including Qualified Institutional Placement to Qualified Institutional Buyers as a Special Resolution".

Sri Bharat Shah, a shareholder, Client ID 1205140000120180 proposed the above Special Resolution No.2 and Sri Kamal Kishore, a shareholder, Client ID 1205450000007701, seconded the same.

Both the Resolutions were passed with requisite majority. Only one shareholder, Sri Prasad, has dissented for the same.

Discussion:

The Chairman then requested the shareholders present to discuss the Agenda items. Therefore, the under noted shareholders furnished their views / observations as follows:

Sri Bharat Shah (Client ID: 1301440000009951)

He welcomed the new CMD on behalf of shareholders. He expressed that the experience of the new CMD in various facets of banking will be beneficial for the Bank and its shareholders.

Sri Badri Vishal Bajaj (Client ID: 1203070000010338)

He welcomed the CMD on behalf of the shareholders and he expressed that both the resolutions are aimed at increasing the capital.

He said that restructuring of loans is increasing due to which NPAs have increased from 3.24% in first quarter to 3.54% in second quarter. He suggested to have a proper mechanism in place to monitor restructured advances.

He expressed his concern that the EPS of the Bank is going down and the Bank should take necessary steps to improve the same.

Sri P. Venkatachalam, a shareholder and Joint Secretary, Senior Citizen Forum, Saidabad Zone

He stated that Net profit of the Bank for June-September quarters has gone down from Rs.231.28 cr to Rs.70.65 cr and EPS from Rs.4.13 to Rs. 1.26 which is quite disappointing for the shareholders.

He suggested for scrolling of various schemes promoted by the Bank at all the branches.

Sri PVLN Prasad, Client ID 17566230/DPID: IN300513 (ex-employee of Andhra Bank)

He stated that the present offer to the Government is well below the Book Value of Rs.140/- and the earlier issue price of Rs.157.28p. and asked the Bank as to why the equity is offered to Government of India now Rs.66.59p.

Further he said that bank has not done well in the last few years and that the present proposal for issue of equity shares indicates shortage of funds.

Sri Shantilal C Shah - Client ID: 10203367/DPID: IN301022

He wanted to know the percentage of non-performing asset loans given in the local area, particularly in Andhra Pradesh which may certainly impact the profitability of the Bank. He appreciated the Government of India's decision to infuse capital and the decision of the Bank's Board to approve the same. He also expressed his concern as to whether the Bank will be able to maintain the dividend level.

Sri Kamal Kishore, Client ID 11608345/DP ID: IN 300239

He greeted the Board of Directors and expressed happiness that funds are coming to the Bank so that the Bank will be able to maintain the dividend rate. He further informed that declaration of interim dividend will be appreciated.

The Chairman and Managing Director responded to the observations made by the shareholders.

He appreciated the keen interest shown by the shareholders in the Bank's working. The banking industry is going through a bad phase. He stated that many of the infrastructure companies and power companies are based in the State of Andhra Pradesh. When both the industrial segments were doing well earlier, the Bank was also doing well. But of late, they are running through bad times.

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The Bank is confident that it would be able to come out of the power related problems shortly but infrastructure sector would take a little longer time.

The Bank has been supporting our borrowers based on their track record. All the Promoters have a good track record but they are going through tough times. The Bank will support them. The Bank will bring them out and ensure that all the bank dues are recovered along with interest which will enable the Bank to pay rich dividends in the years to come.

He further stated that NPA per se is not bad. Sometimes the companies are not able to generate sufficient cash flows. Banking is a business of taking risk and NPA is because of deferment of payment of interest and principal but not because of avoiding payment of interest / principal, he explained. He further stated that sufficient steps are being taken to bring back the past glory of the Bank which will give a better return to the shareholders.

There are five categories of stakeholders namely, shareholders, depositors, employees, Government and the society. Shareholders are the owners of the Bank. The Bank is working for the benefit of all the stakeholders. He stated that the Bank is committed to do all the best to all the five stake holders. He further stated that raising of capital is not because of dearth of funds, but because of BASEL III requirement of 8% as Tier-I capital. The Bank will resort to FPO/QIP/RIGHTS ISSUE at the opportune time when the market is favourable. The Bank will take all necessary steps to implement the suggestions of the shareholders to the possible extent.

Sri S.V.Venkatasubramanian, General Manager, proposed a vote of Thanks.

The Chairman then declared that the Extra-ordinary General Meeting of the Bank as closed.

Sd/
(C.V.R.Rajendran)
Chairman & Managing Director

Place: Hyderabad
Date:02.01.2014

Andhra Bank M.B. Division H.O. Hyd.