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कृते युनाइटेड बैंक ऑफ इंडिया
For UNITED BANK OF INDIA
कंपनी सचिव / Company Secretary

# UNITED BANK OF INDIA

Head Office: 11, Hemanta Basu Sarani, Kolkata-700 001

## NOTICE

NOTICE is hereby given that an Extraordinary General Meeting of the members of United Bank of India will be held on Wednesday, March 23, 2011 at 10.30 A. M. at G. D. Birla Shabhaghar, 29 Ashutosh Chowdhury Avenue, Kolkata-700 019, to transact the following special business:

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

**RESOLVED THAT** subject the provisions of Section 3(2B) (c) of the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970, Clause 20 of the Nationalised Banks (Management & Miscellaneous Provisions) Scheme, 1970, Clause 23 of the Listing Agreement entered into with Bombay Stock Exchange Limited and National Stock Exchange of India Limited (including any amendment thereto or re-enactment thereof) and in accordance with the provisions of Regulation 4A of the United Bank of India (Shares & Meetings) Regulations 2010, other applicable provisions of the Acts, Scheme, Agreement and Regulations as mentioned hereinabove and subject to other Rules / Notifications / Circulars / regulations / guidelines, if any, prescribed by the Government of India, Reserve Bank of India, Securities and Exchange Board of India or any other relevant authority, whether in India or abroad, from time to time to the extent applicable and subject to approvals, consent, permissions and sanctions as might be required and further subject to the conditions as prescribed in the notification of the Ministry of Finance dated 15th February, 2011 in granting the approval, consent, permission and sanction, and such further notification/communication as may be received from time to time from the Government/Regulator in this regard, which may be agreed to by the Board of Directors of United Bank of India (hereinafter referred to as the "**Board**", which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) is hereby authorised on behalf of the Bank, to raise capital by creating, offering, issuing and allotting **up to 279,89,821** (Two Crore Seventy Nine Lacs Eighty Nine Thousand Eight Hundred Twenty One) number of equity shares of face value of Rs.10/-each for cash at **Rs.110.04** per share (Rupees One Hundred Ten and Paisa Four Only) determined in accordance with Regulation 76 (1) of SEBI ICDR Regulations and aggregating to Rs. 308 Crore on preferential basis to Government of India.

**RESOLVED FURTHER THAT** the Relevant Date for determination of the Issue Price is **21st February, 2011.**

**RESOLVED FURTHER THAT** the Board shall have authority and power to accept any modification in the proposal including pricing as may be required or imposed by the Govt. of India/Reserve Bank of India/Securities & Exchange Board of India/Stock Exchanges where the Bank's share are listed or such share appropriate authorities at the time of according their approvals, consents, permissions and sanctions to issue, allotment and listing thereof and as agreed to by the Bank.

**RESOLVED FURTHER THAT** the equity shares to be offered and allotted on preferential basis in terms of this resolution shall be issued in dematerialized form and shall be subject to lock-in requirements as required under chapter VII of the SEBI ICDR Regulations and shall rank *pari passu* in all respects (including dividend) with the existing equity shares of the Bank and be listed on stock exchanges where the equity shares of the Bank are listed.

**RESOLVED FURTHER THAT** in case any of the above shares offered remain unsubscribed in full or part, for any reason whatsoever, then the consent granted to the Board shall be deemed to include an authority to offer, issue and allot, in its absolute discretion, any such equity shares to any one or more of the proposed allottees, on the same terms and conditions.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the offer, issue or allotment of equity shares as described above, the Board be and is hereby authorised on behalf of the Bank to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the number of securities that may be offered, entering into arrangements for managing, listing, and with the registrar and to issue any document(s), including but not limited to letter of offer and/or circular, and 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 and take all steps which are incidental and ancillary in this connection.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of its powers herein conferred to any Committee or any one or more executives of the Bank.

By order of the Board

Place: Kolkata
Date: February 21, 2011

**Bikramjit Shom**
Company Secretary

**Notes: -**

1. **APPOINTMENT OF PROXY -** A shareholder entitled to attend and vote at the meeting, is also entitled to appoint a proxy to attend and vote instead of himself/ herself, and such a proxy need not be a shareholder of the bank. The proxy form in order to be effective must be received by the bank at its Share Department & Investors Grievance Cell, at Head Office, 11 Hemanta Basu Sarani, Kolkata-700 001 not later than **four days** before the date of the meeting i.e. on or before the closing of the business hours of Friday, the 18th March, 2011. Please note that any employee or officer of United Bank of India cannot be appointed as proxy as per provision of Regulation 62 of United Bank of India (Shares & Meetings) Regulations 2010.
2. **APPOINTMENT OF AN AUTHORISED REPRESENTATIVE -** No person shall be entitled to attend and vote at the meeting as a duly authorized representative of a company or any other body corporate which is a shareholder of the Bank, unless a

copy of the Resolution appointing him/her as a duly authorized representative, certified to be a true copy certified by the chairman of the meeting at which it was passed has been deposited at the Head Office of the Bank with the Share Department & Investors Grievance Cell at United Bank of India, Head Office, 11 Hemanta Basu Sarani, Kolkata-700 001 not later than **four days** before the date of the meeting i.e. on or before the close of the business hours of Friday, the 18th March, 2011. Please note that an employee or officer of United Bank of India cannot be appointed as authorized representative as per the provisions of Regulation 62 of United Bank of India (Shares & Meetings) Regulations 2010.

3. Attendance Slip-Cum-Entry Pass – For the convenience of the shareholders, Attendance Slip-cum-Entry Pass is annexed to this Notice. Shareholders/Proxy holders/Authorised Representatives are requested to affix their signatures at the space provided therein and surrender the same at the venue. Proxy/Authorised Representative of shareholder should state on the Attendance Slip-Cum-Entry Pass as "Proxy" or "Authorised Representative" as the case may be.

4. The explanatory statement is annexed hereto.

5. The shareholders are requested to write to the Bank or to the Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd., regarding transfer of shares and for resolving grievances at the below address:

The Company Secretary
United Bank of India
Head Office:
11 Hemanta Basu Sarani, Kolkata-700 001

**Bank's Registrar and Share Transfer Agents**:
M/s. Link Intime India Pvt. Ltd.
Unit : United Bank of India
C-13 Pannalal Silk Mills Compound
L. B. S. Marg, Bhandup (W), Mumbai-400 078

7. **Shareholders may kindly note that no gifts/coupons/snacks or lunch boxes will be distributed at the meeting.**

**Explanatory Statement setting out the material facts –**

1. The Bank is in the business of the banking and its related activities. Presently, the Authorised Capital of the Bank is Rs. 3000 Crores (Rupees Three Thousand Crores Only). The Paid-up Equity Share Capital of the Bank as on 31st March, 2010 is Rs. 316.43 Crores.

2. Your Bank had raised capital by issue of five crore equity shares of Rs. 10/- each at a premium of Rs. 56/- per share (Rs. 53/- for Retail Investors) through Initial Public Offer aggregating Rs. 325.15 Crores in the year 2010. Presently, the shareholding of Government of India in your Bank is Rs. 266.43 Crores, which constitute 84.20% of total paid-up capital of the Bank. The Capital fund to Risk Weighted Assets as on December 31, 2010 is as under.

| **Particulars (As on 31.12.10)** | **Amount Rs. in Crores** | **% of capital funds to risk weighted asset** |
|---|---|---|
| Risk Weighted Assets | 44810.92 | |
| Tier-I Capital | 3685.04 | 8.22% |
| Tier-II Capital | 1922.11 | 4.29% |
| Total Capital | 5607.15 | 12.51% |

3. The Bank has been growing at an impressive pace for last three years with an average growth rate of about 20% and is likely to improve upon the same in the next three years. In order to meet the growing requirement of funds for expanding the business by way of long term resources and for general lending purposes as may be decided by the Board, the Bank proposes to raise funds by way of a Preferential Allotment of up to 279,89,821 equity shares of Rs.10/- each at a premium of Rs.100.04 as determined in accordance with the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, (SEBI ICDR Regulations) as amended from time to time, considering Monday, February 21, 2011 as the Relevant Date for the purpose, aggregating to Rs. 308 Crore (Three Hundred and Eight Crore Only) to the Government of India on preferential basis.

4. The present resolution is proposed to be passed in order to enable the Board of Directors of the Bank to make the above-mentioned preferential issue and allotment.

5. The following details of the proposed preferential issue are disclosed in accordance with the provisions of SEBI ICDR Regulations:

**I. Objects of the proposed Preferential Issue:**

In order to enable the Bank to maintain adequate Tier I CRAR, the Central Government has decided to infuse Rs. 308 Crore ( Rupees Three Hundred and Eight Crore only) by way of preferential allotment of Equity in favour the Government of India.

The funds proposed to be raised would be used for the general lending purposes as may be decided by the Bank.

**II. Proposal of the Promoters / Directors / Key Management Persons of the issue to subscribe to the offer:**

None of the Directors or Key Management persons other than Promoter as mentioned in Clause (V) below intends to subscribe to the equity shares.

**III. Shareholding Pattern before and after the proposed Preferential Offer:**

| Sr. No. | Name of Shareholders | Pre-allotment in terms of No. of shares | % of pre-allotment Paid Up Capital | Post allotment in terms of No. of Shares | % of Post- allotment Paid Up Capital |
|---|---|---|---|---|---|
| 1. | **Promoter Group The President of India** | 266430800 | 84.20% | 294420621 | 85.48% |
| 2. | **Other Shareholders** | 50000000 | 15.80% | 50000000 | 14.52% |
| 3. | **Total (1+2)** | 316430800 | 100.00% | 344420621 | 100.00% |

**IV. The timeline within which the preferential issue shall be completed:**

The allotment shall be made within 15 days of the passing of the resolution by the shareholders, provided the time for allotment shall be extended by the time taken for obtaining approval for such allotment by any regulatory authority.

**V. The identity of the Proposed Allottees and the percentage of post Preferential Issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue :**

| Identity of the Proposed Allottees Promoters | No. of equity shares to be allotted | % of Post Issue/ Allotment |
|---|---|---|
| The President of India | 27989821 | 85.48% |

The existing promoters of the Bank i.e. The President of India will continue to vests their control over the Bank and there will not be any change in the management / control on the Bank as a result of the proposed preferential allotment.

**VI. Pricing of the proposed Preferential Issue:**

The Issue Price will be determined in accordance with the Chapter VII of the SEBI ICDR Regulations.

The "**Relevant Date**" for determining the issue price of the resultant equity shares shall be Monday, February 21, 2011, being the date which is 30 days prior to the last date for passing this resolution by requisite majority of members i.e. March 23, 2011.

The equity shares of the Bank have been listed for more than six months and accordingly, provisions of Regulation 76 (3) and 78 (5) of SEBI ICDR Regulations are not be applicable.

**VII. Letter of Intent:**

Letter Number F. No.11/7/2008-BOA dated 15th February, 2011 from Sri M. M. Dawla, Under-Secretary, Department of Financial Services, Ministry of Finance, Government of India agreeing to the Preferential Allotment of Equity Shares aggregating Rs. 308 Crore has been received.

**VIII. Certification from Statutory Auditors:**

M/s. D. K. Chhajer & Co., Chartered Accountants, Statutory Central Auditors of the Bank, have certified that the issue of shares is being made in accordance with the SEBI ICDR Regulations. A copy of the said certificate will be made available for inspection at the General Meeting on March 23, 2011.

All the shares held by the Government of India are in dematerialized mode and the Bank is in compliance with the conditions of continuous listing of equity shares as specified in the Listing Agreement with the Stock Exchanges where the equity shares of the Issuer are listed. Government of India has not sold any equity shares of the Bank during the six months preceding the relevant date.

**IX. Lock-in period:**

As per SEBI ICDR Regulations, the equity shares proposed to be issued on preferential basis to the Promoter i.e. Government of India and shall be subject to a lock-in of three years from the date of allotment.

**X.** The equity shares issued as above shall rank *pari passu* in all respects with the existing equity shares of the Bank.

**XI. Consequential to the aforesaid allotment:**

The Allottee will acquire voting rights in the Bank in the proportion to the equity shares which are allotted them.

6. Clause 23 of the Listing Agreements executed by the Bank with the various stock exchanges in India where the Bank's Equity Shares are listed provide *inter-alia* that when it is proposed to increase the issued capital of the Bank by allotment of further shares, such shares, shall be first offered to the existing shareholders of the Bank for subscription in proportion to their shareholding in the Bank unless the shareholders decide otherwise in a general meeting by a special resolution. As it is proposed to allot fully paid up Equity Share is other than *pro rata* to the existing shareholders of the Bank, the above resolution is required to be passed.
7. In view of the above, approval of the Members is sought, subject to provisions of Section 3(2E) of the Banking Companies (Acquisition & Transfer of Undertaking) Act 1970, as stated above, in terms of the provisions of the Chapter VII of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, as amended read with Regulation 4A of the United Bank of India (Shares & Meetings) Regulations, 2010 to pass the above Resolution as a Special Resolution.
8. Your Directors recommend the Special Resolution for your approval.
9. None of the Directors are interested in the passing of the Special Resolution.

By order of the Board

Place: Kolkata
Date: February 21, 2011

**Bikramjit Shom**
Company Secretary