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 - 500 094.

DEPT: Merchant Banking Division
Telefax: 040 – 23230883; Tel No. 040 – 23252371
E-mail: mbd@andhrabank.co.in

Lr. No. 666/25/P.30/P.71W/ 96

Dt: 05.06.2018

The National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai – 400051
Fax: 022 -26598237/38
cmlist@nse.co.in

**SYMBOL:** ANDHRABANK

Dear Sirs,

Sub: Submission of Notice of 18th Annual General Meeting of the Bank
Ref: Our letter no. 666/25/P.71W/83 dated 25.05.2018

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Further to our earlier letter dated 25.05.2018, please find enclosed Notice of 18th Annual General Meeting of the Bank scheduled to be held on Monday, July 09, 2018 at 12.00 noon at Sri Sathya Sai Nigamagamam, 8-3-987/2, Sri Nagar Colony, Hyderabad-500 073.

Yours sincerely
For Andhra Bank

(Ruchi R)
Company Secretary

ANDHRA BANK
M.B. Division

आन्ध्रा बैंक
Andhra Bank
देशवासियों का बैंक Where India Banks

(A Govt. of India Undertaking)

Head Office, Dr. Pattabhi Bhavan
5-9-11, Saifabad, Hyderabad-500 004

# NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of Shareholders of Andhra Bank will be held on Monday, 09th July, 2018 at 12.00 noon at Sri Sathya Sai Nigamagamam, 8-3-987/2, Sri Nagar Colony, Hyderabad-500 073 to transact the following business:

- To Discuss, Approve and Adopt the Audited Balance Sheet of the Bank as at 31st March, 2018, Profit & Loss Account for the year ended on that date, the Report of the Board of Directors on the working and activities of the Bank for the period covered by the Accounts and the Auditors' Report on the Balance Sheet and Accounts;
- To consider and if thought fit, to pass the following as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (the Act), The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1980 (the Scheme) and Andhra Bank (Shares and Meetings) Regulations, 2003 as amended from time to time and subject to the approvals, consents, permissions and sanctions, if any, of the Reserve Bank of India ("RBI"), the Government of India ("GOI"), the Securities and Exchange Board of India ("SEBI"), and/ or any other authorities as may be required in this regard and subject to such terms, conditions and modifications thereto as may be prescribed by them in granting such approvals and which may be agreed to by the Board of Directors of the Bank and subject to the regulations viz., SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (ICDR Regulations) as amended up to date, guidelines, if any, prescribed by the RBI, SEBI, notifications/circulars and clarifications under the Banking Regulation Act, 1949, Securities and Exchange Board of India Act, 1992 and all other applicable laws and all other relevant authorities from time to time and subject to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time (LODR Regulation), Listing Agreements entered into with the Stock Exchanges where the equity shares of the Bank are listed, consent of the Shareholders of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter called "the Board" which shall be deemed to include any Committee which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this Resolution) to create, offer, issue and allot (including with provision for reservation on firm allotment and/ or competitive basis of such part of issue and for such categories of persons as may be permitted by the law then applicable) by way of an offer document/ prospectus or such other document, in India or abroad, such number of equity shares and/or preference shares (whether cumulative or not; convertible into equity shares or not) in accordance with the guidelines framed by RBI from time to time, specifying the class of preference shares, the extent of issue of each class of such preference shares, whether perpetual or redeemable, the terms & conditions subject to which each class of preference shares may be issued and/or other permitted securities which are capable of being converted into equity or not, **upto such amount/s** (as decided by the Board or Committee of the Board of the Bank) which together with the existing paid-up equity share capital of ₹1198.83 Crore will be within ₹3000 Crore, being the ceiling in the Authorised Capital of the Bank, as per Section 3(2A) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 or to the extent of enhanced Authorised Capital as per the Amendment (if any), that may be made to the Act in future, in such a manner that the Central Government's stake in the equity paid-up capital of the bank will not go below such percentage as may be decided by Government of India, whether at a discount or premium to the market price, in one or more tranches, including to one or more of the Members, Employees of the Bank, Indian Nationals, Non-resident Indians (NRIs), Companies, Private or Public, Investment Institutions, Societies, Trusts, Research organizations, Qualified Institutional Buyers ("QIBs") like Foreign Institutional Investors ("FIIs"), Banks, Financial Institutions, Indian Mutual Funds, Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions or other entities, authorities or any other category of investors which are authorized to invest in equity / preference shares / securities of the Bank as per extant regulations/ guidelines or any combination of the above as may be deemed appropriate by the Bank".

"**RESOLVED FURTHER THAT** such issue, offer or allotment shall be by way of Follow on public issue, rights issue, Private Placement / Qualified Institutional Placement (QIP) or any other mode approved by GOI/RBI, with or without over-allotment option and that such offer, issue, placement and allotment be made as per the provisions of the Act, ICDR Regulations and all other guidelines issued by the RBI, SEBI and any other authorities as applicable, and at such time or times in such manner and on such terms and conditions as the Board may, in its absolute discretion, think fit".

"**RESOLVED FURTHER THAT** the Board shall have the authority to decide, at such price or prices in such manner and where necessary, in consultation with the lead managers and /or underwriters and/ or other advisors or otherwise on such terms and

conditions as the Board may, in its absolute discretion, decide in terms of ICDR Regulations, other regulations and any and all other applicable laws, rules, regulations and guidelines to issue such securities to investors, whether or not such investor(s) are existing members of the Bank, at a price not less than the price as determined in accordance with relevant provisions of ICDR Regulations".

"**RESOLVED FURTHER THAT** in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Banking Companies and (Acquisition and Transfer of Undertakings) Act, 1980, the provisions of the Andhra Bank (Shares and Meetings) Regulations, 2003, the provisions of ICDR Regulations, the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, and subject to requisite approvals, consents, permissions and/or sanctions of SEBI, Stock Exchanges, Reserve Bank of India (RBI), Foreign Investment Promotion Board (FIPB), Department of Industrial Policy and Promotion, Ministry of Commerce (DIPP) and all other authorities as may be required (hereinafter collectively referred to as "the Appropriate Authorities") and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission and/or sanction (hereinafter referred to as "the requisite approvals") the Board may, at its absolute discretion, issue, offer and allot, from time to time in one or more tranches, equity shares or any securities other than warrants, which are convertible into or exchangeable with equity shares at a later date, in such a way that the Central Government's stake in the equity paid-up capital of the Bank will not go below such percentage as may be decided by Government of India, to QIBs (as defined in Chapter VIII of the ICDR Regulations) pursuant to a qualified institutional placement, as provided for under Chapter VIII of the ICDR Regulations, through a placement document and / or such other documents / writings / circulars / memoranda and in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the ICDR Regulations or other provisions of the law as may be prevailing at that time; provided the price inclusive of the premium of the equity shares so issued shall not be less than the price arrived in accordance with the relevant provisions of ICDR Regulations".

"**RESOLVED FURTHER THAT** in case of a Qualified Institutional Placement (QIP), pursuant to Chapter VIII of the ICDR Regulations..

a) the allotment of securities shall only be to QIBs within the meaning of Chapter VIII of ICDR Regulations, such securities shall be fully paid-up and the allotment of such securities shall be completed within twelve months from the date of this resolution.

b) the Bank is pursuant to Proviso to Regulation 85(1) of ICDR Regulations authorized to offer shares at a discount of not more than five percent on the price so calculated for the QIP, subject to the approval of shareholders as specified in clause (a) of Regulation 82 of SEBI ICDR Regulations.

c) the relevant date for the determination of the floor price of the securities shall be in accordance with the ICDR Regulations".

"**RESOLVED FURTHER THAT** the Board shall have the authority and power to accept any modification in the proposal as may be required or imposed by the GOI / RBI / SEBI / Stock Exchanges where the shares of the Bank are listed or such other appropriate authorities at the time of according / granting their approvals, consents, permissions and sanctions to issue, allotment and listing thereof and as agreed to by the Board."

"**RESOLVED FURTHER THAT** the issue and allotment of new equity shares / preference shares / securities, if any, to NRIs, FIIs and/or other eligible foreign investments be subject to the approval of the RBI under the Foreign Exchange Management Act, 1999 as may be applicable but within the overall limits set forth under the Act".

"**RESOLVED FURTHER THAT** the said new equity shares to be issued shall be subject to Andhra Bank (Shares and Meetings) Regulations, 2003, as amended, and shall rank *pari passu* in all respects with the existing equity shares of the Bank including dividend, if any, in accordance with the statutory guidelines that are in force at the time of such declaration".

"**RESOLVED FURTHER THAT** for the purpose of giving effect to any issue or allotment of equity shares / preference shares / securities, the Board, be and is hereby authorized to determine the terms of the public offer, including the class of investors to whom the securities are to be allotted, the number of shares/ securities to be allotted in each tranche, issue price, premium amount on issue as the Board in its absolute discretion deems fit and do all such acts, deeds, matters and things and execute such deeds, documents and agreements, as they may, in its absolute discretion, deem necessary, proper or desirable, and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise in regard to the public offer, issue, allotment and utilization of the issue proceeds, and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, as it may, in its absolute discretion, deem fit and proper in the best interest of the Bank, without requiring any further approval of the members and that all or any of the powers conferred on the Bank and the Board vide this resolution may be exercised by the Board" .

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to enter into and execute all such arrangements with any Book Runners, Lead Manager(s), Banker(s), Underwriter(s), Depository(ies), Registrar(s), Auditor(s) and all such agencies as

may be involved or concerned in such offering of equity/ preference shares/ securities and to remunerate all such institutions and agencies by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc., with such agencies".

"**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board, in consultation with the Lead Managers, Underwriters, Advisors and/ or other persons as appointed by the Bank, be and is hereby authorized to determine the form and terms of the issue(s), including the class of investors to whom the shares / securities are to be allotted, number of shares/securities to be allotted in each tranche, issue price (including premium, if any), face value, premium amount on issue/conversion of securities/ exercise of warrants/redemption of securities, rate of Interest, redemption period, number of equity shares/preference shares or other securities upon conversion or redemption or cancellation of securities, the price, premium or discount on issue/ conversion of securities, rate of interest, period of conversion, fixing of record date or book closure and related or incidental matters, listings on one or more stock exchanges in India and / or abroad, as the Board in its absolute discretion deems fit".

"**RESOLVED FURTHER THAT** such of these shares/ securities as are not subscribed may be disposed off by the Board in its absolute discretion in such manner, as the Board may deem fit and as permissible by law".

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board, be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper and desirable and to settle any question, difficulty or doubt that may arise in regard to the issue, of the shares/ securities and further to do all such acts, deeds, matters and things, finalize and execute all documents and writings as may be necessary, desirable or expedient as it may in its absolute discretion deem fit, proper or desirable without being required to seek any further consent or approval of the shareholders or authorise to the end and intent, that the shareholders shall be deemed to have given their approval thereto expressly by the authority of the Resolution".

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to the Managing Director & CEO and/ or Executive Directors (in the absence of the Managing Director& CEO) and the General Manager (Merchant Banking Division) to give effect to the aforesaid Resolutions."

By order of the Board of Directors

Place: Hyderabad
Date: 22/05/2018

(Ruchi R)
Company Secretary

**Notes:**

The Explanatory Statement setting out the material facts in respect of Item No. 2 of the Notice regarding Raising of Paid up capital is annexed below.

1. **Voting Rights**

In terms of the provisions of sub-section (2E) of Section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, no shareholder of the corresponding new Bank, other than the Central Government, shall be entitled to exercise voting rights in respect of any shares held by him/her in excess of ten per cent of the total voting rights of all the shareholders of the Bank.

Subject to the above, as per Regulation 68 of Andhra Bank (Shares and Meetings) Regulations, 2003, each shareholder who has been registered as a shareholder on the **Specified Date, i.e. Monday, 02nd July, 2018** shall have one vote for each share held by him/her in remote e-voting / voting through poll.

**Exercise of rights of joint holders:**

As per Regulation 10 of the above Regulations, if any share stands in the names of two or more persons, the person first named in the register shall, as regards voting, be deemed to be the sole holder thereof. Thus, if shares are in the name of joint holders, then **first named person is only entitled to attend the meeting and is only eligible to vote on the Resolutions.**

2. **Appointment of proxy**

A Shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and to participate in the voting at the venue of the General Meeting instead of himself/herself and such a proxy need not be a shareholder of the Bank.

In order to be effective, the proxy form must be deposited at the Head Office of the Bank atleast four days before the date of the meeting i.e., upto 05.00 p.m. on or before **Wednesday, 04th July, 2018**. No employee of the Bank shall be appointed as a duly authorized representative or as a proxy.

3. **Appointment of an Authorized Representative:**

No person shall be entitled to attend or vote at the meeting as a duly authorized representative of a Company, unless a copy of

the resolution appointing him/her as a duly authorized representative, certified to be a true copy by the Chairman of the meeting at which it was passed shall have been deposited at the Head Office of the Bank at Hyderabad not less than four days before the date of the meeting i.e., upto 05.00 p.m. on or before **Wednesday, 04th July, 2018.**

4. **Attendance slip-cum-entry pass:**
For the convenience of the members, attendance slip is enclosed to this report. Members are requested to fill in and affix their signatures in the space provided therein and handover the attendance slip-cum-Entry pass at the entrance of the venue of the meeting. Proxy / Representative of the shareholder should mark on the attendance slip as proxy or representative as the case may be.

5. **Book Closure:**
The Register of Shareholders and Share Transfer Books would remain closed from **Tuesday, 03rd July, 2018 to Monday, 09th July, 2018** ***(both days inclusive)*** in connection with the Annual General Meeting.

6. **Updating of any change in address, bank details, etc. of the shareholders:**
The shareholders holding the shares in physical form are requested to inform the Bank or its Registrars for noting any change in their address, bank account details, if any, for prompt receipt of any correspondence. The shareholders holding the shares in electronic form are requested to update the change in their address, bank account details, if any, with their respective Depository Participants.

The shareholders holding shares in physical form are requested to inform their PAN details, e-mail id, mobile no., etc. to the Bank or its Registrars for updation of shareholder details. Shareholders holding shares in electronic form are requested to update the said details with their Depository Participant.

7. **Consolidation of Folios:**
The shareholders who are holding shares in identical order of names in more than one account are requested to intimate to the Registrars and Transfer Agent, the ledger folio of such accounts and send the share certificates to enable the Bank to consolidate all the holdings into one account. The share certificates will be returned to the members after making necessary endorsement in due course.

8. **Lodgment for Transfers:**
Share Certificates along with the duly filled in transfer deed should be forwarded to the Registrars and Transfer Agents of the Bank at the following address:

M/s. MCS Share Transfer Agent Limited (Unit: Andhra Bank)
002, Ground Floor, Kashiram Jamnadas Building
5 P.D Mello Road, Masjid East
Mumbai – 400 009

9. **Requests to Shareholders:**
Please note that copies of the Annual Report will not be distributed at the Annual General Meeting as an economy measure. Hence, shareholders are requested to bring their copies of the Annual Report to the venue of the meeting.

Shareholders may kindly note that no gifts / coupons will be distributed at the venue of the meeting.

Shareholders are advised to avoid bringing bags / brief cases/ tape records / cameras etc. as these items are subject to a security check and may not be allowed at the venue.

10. **Green Initiative:**
In support of the green initiative, the Bank has sent the soft copy of the annual report through email to those shareholders who have registered their email id with their Depository Participant/ Bank's Registrar & Share Transfer Agent. The Bank has decided to circulate the hard copy of abridged annual report containing the salient features of all the documents, as prescribed to all those shareholder(s) who have not registered their email address(es).

Full version of the annual report will be available on the Bank's website www.andhrabank.in. In case a shareholder wishes to receive a printed copy, he/she may please send a request to the Bank by e-mail to the id: mbd@andhrabank.co.in; upon which hard copy of full annual report will be sent to the shareholder.

11. **Voting through electronic means**
In terms of Regulation 44(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and compliance to the Companies (Management and Administration) Rules, 2014 or amendments made thereto, the Bank is pleased to offer Remote e-voting facility besides e-voting at the venue of the general meeting, for its Members at the Annual General Meeting which will enable them to cast their votes electronically and to pass the RESOLUTIONS.

For this purpose, the Bank has appointed M/s. Central Depository Services (India) Limited (CDSL) as a Remote e-voting platform for facilitating its Members to vote electronically. The Bank has also appointed M/s S.N. Ananthasubramanian & Co. as the Scrutiniser for scrutinising the Remote e-voting and e-voting at the venue of the general meeting in a fair and transparent manner.

**The instructions for shareholders voting electronically are as under:**

(i) The Remote e-voting period begins at 10.00 am on Friday, 06th July, 2018 and ends at 5.00 pm on Sunday, 08th July, 2018. During this period, shareholders of the Bank, holding shares either in physical form or in dematerialized form, as on the Specified Date i.e., Monday, 02nd July, 2018 may cast their vote electronically. The Remote e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the Remote e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID
   a) For CDSL: 16 digits beneficiary ID,
   b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c) Members holding shares in Physical Form should enter Folio Number registered with the Bank.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| | **For Members holding shares in Demat Form and Physical Form as on the Specified Date Monday, 02nd July, 2018** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Bank/RTA/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.<br>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details **OR** Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Bank records in order to login.<br>• If both the details are not recorded with the depository or bank, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for Remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for Remote e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <ANDHRA BANK> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on *Forgot Password* & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding Remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and Remote e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com; (CDSL helpline No. 1800225533 and Contact Person Name is Mr. Rakesh Dalvi, Deputy Manager)

**General Information:**
You are advised to cast your vote through Remote e-voting or through e-voting at the venue of the General Meeting. A shareholder may attend the General Meeting even after exercising his/her right to vote through Remote e-voting but shall not be allowed to participate in the voting at the venue.

12. **Voting Process on Monday, 09th July, 2018 (AGM Date) for those who have not cast their vote through Remote e-voting**
The Bank will arrange for voting at the meeting. The procedure of voting will be informed at the meeting.

M/s S.N Ananthasubramanian & Co., along with a Shareholder of the Bank will act as a Scrutiniser for the voting process.

13. **Results of Voting**
The consolidated results of Remote e-voting and e-voting at the venue of the meeting will be posted on the website of the Bank and on the website of the Remote e-voting Agency and will be informed to the Stock Exchanges.

14. **Unpaid / Unclaimed/ Un-encashed Dividend, if any**
The shareholders who have not received or claimed dividend for the year 2010-11 are requested to contact the Bank or Registrar & Share Transfer Agent of the Bank, MCS Share Transfer Agent Ltd, Mumbai.

In terms of the Banking Companies (Acquisition and Transfer of Undertakings) and Financial Institutions Laws (Amendment) Act, 2006 (which has come into force from 16.10.2006), the amount of dividend remaining unpaid or unclaimed or unencashed for a period of seven years is requested to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government under Section 125 of the Companies Act, 2013 and thereafter no claim for payment shall lie in respect thereof either to the Bank or to the IEPF shall be available to the shareholders in terms of existing statutory provisions.

(The Unpaid/ Unclaimed Dividend for the year 2010-11 lying with the Bank shall be transferred to IEPF on 29.09.2018 as per the Government of India guidelines.)

**Note:**
Bank shall highly appreciate if shareholders, desirous of making any suggestion, seeking clarification, etc. relating to the item of agenda only, at the Annual General Meeting, may send their suggestions, queries, etc. so as to reach the Shareholders / Investor Relation Section at Head Office of the Bank atleast 15 days before the date of meeting.

**Explanatory Statement in respect of the business mentioned against item no.2 of the Notice**
**Raising of capital through Qualified Institutional Placement, Follow-on Public offer, etc.:**
To raise capital by way of Qualified Institutional Placement to Qualified Institutional Buyers, Follow-on Public Offer, etc., in such a

manner that the Central Government's stake in the equity paid-up capital of the Bank will not go below such percentage as may be decided by Government of India.

a) The present Paid-up Capital of the Bank is ₹1198.83 Crore and the Capital Adequacy Ratio of the Bank as on 31.03.2018 is 11.00 % which is above the 10.875% stipulated by the Reserve Bank of India. However, in view of the growth plans of the Bank, the implementation of BASEL-III norms and consequent capital charge, there is a need to increase the capital to further strengthen the Capital Adequacy Ratio.

b) The Bank in terms of Section 3(2B)(c) of the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1980, will obtain requisite approval of Government of India, Ministry of Finance and Reserve Bank of India for increasing the paid-up capital of the Bank.

c) Sub-Clause (4) of Regulation 41 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that whenever any further issue or offer is being made by the Bank, the existing shareholders should be offered the same on pro-rata basis unless the shareholders in the General Meeting decide otherwise. The said resolution, if passed, shall have the effect of allowing the Board on behalf of the Bank to create, offer, issue and allot the securities otherwise than on pro-rata basis to the existing shareholders.

d) The Resolution seeks to enable the Bank to create, offer, issue and allot equity shares / preference shares / securities by way of QIP, Follow-on Public Offer, Rights Issue etc.

e) The issue proceeds will enable the Bank to strengthen its Capital Adequacy Requirements as specified by RBI from time to time.

f) The Resolution further seeks to empower the Board of Directors to issue shares through Qualified Institutional Placement with Qualified Institutional Buyers as defined by ICDR Regulations. The Board of Directors may in their discretion adopt this mechanism as prescribed under Chapter VIII of the SEBI ICDR Regulations for raising funds for the Bank, without seeking fresh approval from the shareholders.

g) In case of a QIP issue in terms of Chapter VIII of ICDR Regulations, issue of securities on QIP basis can be made at a price not less than the average of the weekly high and low of the closing prices of the equity shares quoted on a stock exchange during the two weeks preceding the "Relevant Date". "Relevant date" shall mean the date of the meeting in which the Board or Committee of the Bank decides to open the QIP Issue.

h) The approval of the shareholders at the Extra-ordinary General Meeting of the bank held on 06.05.2017 for raising capital under various options including QIPs with QIBs was obtained. As per the guidelines, the validity of the resolutions is restricted to twelve months for such QIPs. Keeping in view the future requirements (as denoted in Point (a) above), the approval of the shareholders is sought once again.

i) As the pricing of the offering cannot be decided except at a later stage, it is not possible to state the price of shares / securities to be issued. However, the same would be in accordance with the provisions of the ICDR Regulations, the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 and the Andhra Bank (Shares and Meetings) Regulations, 2003, as amended from time to time or any other guidelines / regulations / consents, etc. as may be applicable / required.

j) The detailed terms and conditions for the issuance of the equity shares as and when made will be determined by the Board in consultation with the Merchant Bankers, Lead Managers, Advisors and such other authorities as may require to be considered by the Bank considering the prevailing market conditions and other relevant factors. The Resolution seeks to give the Board powers to issue equity shares / securities in one or more tranches at such time or times, at such price or prices, and to such of the Investors as are mentioned therein as the Board in its absolute discretion deems fit.

k) For reasons aforesaid, an enabling resolution is proposed to give adequate flexibility and discretion to the Board to finalise the terms of the issue.

l) The equity shares issued, shall rank pari passu in all respects with the existing equity shares of the Bank including dividend.

m) For this purpose the Bank is required to obtain the consent of the shareholders by means of a special resolution. Hence your consent is requested for the above proposal.

Your Directors recommend the resolutions as set out in the Notice.

None of the Directors of the Bank is interested or concerned in the aforementioned Resolution(s), except to the extent of their shareholding in the Bank and their participation in raising of capital, if any.

**By order of the Board of Directors**

Ruchi R
Company Secretary

Place: Hyderabad
Date: 22/05/2018