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78th Annual Report 2008-09

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ING VYSYA BANK LIMITED



11. - Further Issue of Capital

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

"RESOLVED THAT pursuant to the provisions of Section 81(1) and Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) (the "**Act**"), the provisions of the Banking Regulation Act, 1949, the provisions of the Foreign Exchange Management Act, 2000 ("**FEMA**") as amended, including the Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended and subject to any required approval, consent, permission and/or sanction of the Ministry of Finance (Department of Economic Affairs) and of Ministry of Industry (Foreign Investment Promotion Board/Secretariat for Industrial Assistance), the Reserve Bank of India ("**RBI**"), the Securities and Exchange Board of India ("**SEBI**") Regulations and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India ("**GOI**"), the Reserve Bank of India ("**RBI**"), SEBI and/or any other competent authorities including the SEBI (Disclosure and Investor Protection) Guidelines, 2000 (the "**SEBI DIP Guidelines**") and the enabling provisions of the Memorandum of Association and the Articles of Association of the Bank, the Listing Agreements entered into by the Bank with the stock exchanges on which the Bank's shares are listed and subject to necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities (hereinafter the "**Requisite Approvals**") and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as the "**Board**", which term shall include any committee thereof), the consent, authority and approval of the Bank be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis of such part of issue and for such categories of persons including employees of the Bank as may be permitted), with or without a green shoe option, either in India or in the course of international offering(s) in one or more foreign markets, such number of equity shares of the Bank ("**Equity Shares**"), Global Depository Receipts ("**GDRs**"), Foreign Currency Convertible Bonds ("**FCCBs**"), and/or any other financial instruments, convertible into Equity Shares (including warrants or otherwise in registered or bearer form) and/ or any security convertible into Equity Shares and /or securities linked to Equity Shares and /or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares including the issue and allotment of Equity Shares pursuant to a green shoe option, if any (all of which are hereinafter collectively referred to as "**Securities**") or any combination of Securities, in one or more tranches, whether Rupee denominated or denominated in foreign currency, public and/or private offerings and/or Qualified Institutions Placement and/or on preferential allotment basis or any combination thereof through issue of prospectus and /or placement document/ or other permissible/requisite offer document, to any eligible person, including but not limited to Qualified Institutional Buyers (as defined by the SEBI DIP Guidelines), domestic / foreign investors/ foreign institutional investors, non resident Indians, companies, body corporates, trusts, mutual funds, banks, insurance companies, pension funds, individuals, venture capital funds, Indian or multilateral financial institutions, stabilizing agents, employees of the Bank, any other categories of investors, whether they be holders of Equity Shares (collectively called the "**Investors**") as may be decided by the Board in its discretion and permitted under applicable laws and regulations by offering the Securities in one or more countries at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest etc., as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers, underwriters, and/ or other advisors, up to 2,41,09,456 Equity Shares or Securities equivalent thereto as may be determined by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to constitute or form a Committee or delegate all or any of its powers to any Director(s) / Committee of Directors / Company Secretary/ Chief Financial Officer / other persons authorized by the Board to appoint the Lead Managers, Underwriters, legal advisors, guarantors, depositories, custodians, registrars, stabilizing agent, trustees, bankers, advisors and all such agencies as may be necessary, involved or concerned in such 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 such agencies and to seek the listing of such Securities on one or more national and/or international stock exchange(s)."



12. Private Placement of Equity Shares to Qualified Institutional Buyers:

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Act and subject to obtaining the Requisite Approvals and the terms of Chapter XIII-A of the Securities Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ("**SEBI DIP Guidelines**"), the Board may at its absolute discretion offer, issue and allot upto 1,33,15,155 Equity Shares or Securities equivalent thereto, in one or more tranches, by way of Qualified Institutions Placement ("**QIP**") to Qualified Institutional Buyers ("**QIBs**"), whether or not such investors are existing members of the Bank and such Securities shall be fully paid up and the allotment of such Securities shall be completed within 12 (twelve) months from the date of the passing of the resolution by the Shareholders approving the proposed issue or such other time as may be allowed by the SEBI DIP Guidelines from time to time at a price not less than the price as determined in accordance with relevant provisions of SEBI DIP Guidelines and on such terms and conditions as may be deemed appropriate by the Board at its absolute discretion and wherever necessary in consultation with Lead Managers in accordance with the applicable laws, rules, regulations and guidelines prevailing in this regard.

RESOLVED FURTHER THAT the Equity Shares proposed to be issued shall rank *pari-passu* in all respects including entitlement to dividend with the existing equity shares of the Bank.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions:

- (a) the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Bank; and
- (b) the relevant date for the purposes of determining the floor price of the Securities in accordance with the SEBI DIP Guidelines would be the date in which the Board or the Committee of Directors duly authorized by the Board, decides to open the proposed issue.

RESOLVED FURTHER THAT the pricing of any Equity Shares issued upon the conversion of the Securities shall be made subject to, and in compliance with the applicable rules and regulations and such price shall be subject to appropriate adjustments in the applicable rules/guidelines/statutory provisions.

RESOLVED FURTHER THAT the issue to the holders of the Securities underlying the Securities, which are convertible into or exchangeable with Equity Shares at a later date, shall be, inter alia, subject to the following terms and conditions:

- (a) in the event of the Bank making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Securities, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the Equity Share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro-rata;
- (b) in the event of the Bank making a rights offer by issue of Equity Shares prior to the allotment of the Securities, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders;
- (c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted; and
- (d) in the event of consolidation and/or division of outstanding shares into smaller number of shares (including by the way of stock split) or re-classification of the Securities into other securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approvals, consents, permissions, if any, from any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid



securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including, but not limited to, finalization and approval for the preliminary as well as final placement document(s), determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, premium amount on issue/ conversion of the Securities, if any, in respect of any Securities as may be required either on *pari-passu* basis or otherwise as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering all such Equity Shares ranking *pari-passu* with the existing Equity Shares of the Bank in all respects, except the right as to dividend which shall be as provided under the terms of the issue and in the offering documents.

RESOLVED FURTHER THAT the Board be and is hereby authorized to constitute or form a Committee or delegate all or any of its powers to any Director(s) / Committee of Directors / Company Secretary/ Chief Financial Officer / other persons authorized by the Board to give effect to the aforesaid resolutions and is authorized to take all such steps and do such acts, deeds, and things as is considered necessary, expedient, usual, proper or incidental in relation to the said matter and to take such actions and give such directions as they may consider as necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable to settle any question or difficulty that may arise in regard to issue and allotment of the Securities including but not limited to:

- (a) approving the draft placement document, preliminary placement document and the placement document and filing the same with any other authority or persons as may be required;
- (b) deciding to open the issue, approving the issue price, the number of Securities to be allotted, the basis of allocation and allotment of Securities;
- (c) arranging the delivery and execution of all contracts, agreements and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of Securities by the Bank;
- (d) opening a separate special account with a scheduled bank to receive monies in respect of the issue of Securities of the Bank and opening such other bank accounts and demat accounts as may be required for the transaction;
- (e) making applications for listing of the Securities of the Bank on one or more stock exchange(s) and executing and delivering or arranging the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);
- (f) affixing the Common Seal of the Bank on any agreement(s)/ document(s) as may be required to be executed in connection with the above as per the procedure prescribed in the Articles of Association of the Bank;
- (g) doing all such acts, deeds, matters and things and executing all such other documents and paying all such fees, as it may in its absolute discretion, deem necessary or desirable for the purpose of the transactions;
- (h) making all such necessary applications with the appropriate authorities and making the necessary regulatory filings in this regard; and
- (i) authorizing or delegating all or any of the powers herein above conferred to any or more persons, if need be."

13. Preferential Allotment of Equity Shares to ING Group, Foreign Promoters:

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Act and subject to obtaining the Requisite Approvals, and the terms of Chapter XIII of the SEBI DIP Guidelines, consent, authority and



approval of the shareholders of the Bank be and is hereby accorded to, offer, issue and allot, in one or more tranches, by way of preferential issue, upto 1,07,94,301 Equity Shares in accordance with Chapter XIII of the SEBI DIP Guidelines to ING Mauritius Holdings and ING Mauritius Investments I on such terms and conditions as may be deemed appropriate by the Board at its absolute discretion and wherever necessary in consultation with Lead Managers in accordance with the applicable laws, rules, regulations and guidelines prevailing in this regard.

RESOLVED FURTHER THAT the Equity Shares proposed to be issued shall rank *pari-passu* in all respects including entitlement to dividend with the existing Equity Shares.

RESOLVED FURTHER THAT the relevant date for the purposes of determining the floor price of the Equity Shares in accordance with the SEBI DIP Guidelines, is 05-Aug-2009 being the 30 days prior to 04-Sep-2009 (i.e., the date on which the meeting of the general body of shareholders in relation to the proposed issue under Section 81(1A) of the Companies Act, 1956, is to be held).

RESOLVED FURTHER THAT the Chairman, the Managing Director and the Chief Financial Officer be and are hereby severally authorized to take all such steps and do such acts, deeds, and things as is considered necessary, expedient, usual, proper or incidental in relation to the said matter and to take such actions and give such directions as they may consider as necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable to give effect to this resolution including but not limited to:

- (a) approving the term sheet for the preferential allotment;
- (b) approving the issue price, the number of Equity Shares to be allotted, the basis of allocation and allotment of Equity Shares;
- (c) arranging the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of Equity Shares by the Bank;
- (d) authorizing Company Secretary to make applications for listing of the equity shares of the Bank on one or more stock exchange(s) and executing and delivering or arranging the delivery of the listing agreement(s) or other equivalent documentation to the concerned stock exchange(s), depositories, registrars and other intermediaries;
- (e) affixing the Common Seal of the Bank on any agreement(s)/ document(s) as may be required to be executed in connection with the above as per the procedure prescribed in the Articles of Association of the Bank;
- (f) doing all such acts, deeds, matters and things and executing all such other documents and paying all such fees, as it may in its absolute discretion, deem necessary or desirable for the purpose of the transactions;
- (g) making all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard; and
- (h) authorizing or delegating all or any of the powers herein above conferred to any or more persons, if need be."

14. Appointment of Managing Director and CEO :

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Shailendra Bhandari be and is hereby appointed as a non-retiring Director (in respect of whom the Company has received a notice in writing along with the requisite amount of deposit from a member proposing the name of Mr. Shailendra Bhandari as a candidate for the office of Director under Section 257 of the Companies Act, 1956, and who is eligible for appointment to the said office) to hold Office, co-terminus with the approved tenure of his appointment as a Managing Director of the Bank.

RESOLVED FURTHER THAT the appointment of Mr. Shailendra Bhandari as Managing Director and Chief Executive Officer of ING Vysya Bank Limited, for a period of three years from the date of taking charge, i.e., 06-Aug-2009 as approved by the Reserve Bank of India under Section 35B of the Banking Regulation Act, 1949, vide its letter No. DBOD No.2263/08.57.001/2009-10



dated 04-Aug-2009 on the following terms and conditions be and is hereby approved under the applicable provisions of the Companies Act, 1956."

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| 1. Tenure | Three years from the date of taking charge, i.e., 06-Aug-2009 (End of the day). |
| 2. Salary (Basic) | Rs. 78,00,000/- per annum. |
| 3. Perquisites | |
| (a) Free Furnished House | Bank's leased furnished accommodation at a minimum cost of Rs.14,50,000/- per annum. |
| (b) Use of Bank's car: | |
| (i) for official purposes and | Free use of Bank's car and Driver for official purposes. |
| (ii) for private purposes | For personal use, a second leased car (equivalent to a Toyota Camry) will be provided. |
| (iii) Driver's salary | Rs. 1,08,000/- per annum. |
| (c) Gratuity | Eligible as per the Payment of Gratuity Act, 1972. |
| (d) Provident Fund | 10% of Basic Salary. |
| (e) Traveling and Halting Allowances | As decided by the Board of Directors from time to time. |
| (f) Medical Benefits | Reimbursement by the Company up to Rs.2,50,000/- for insurance premium (per annum). |
| (g) Performance based Bonus | As decided by the Board of Directors from time to time. |
| (h) Communication Facility | No restriction on use of Bank's Telephone / Mobile / Fax / E-mail / Internet / Computer Systems. |
| (i) Gas, Electricity and Water | Free provision of Gas, Electricity and Water. |
| 4. Leave | |
| (a) Casual leave | As per Bank's policy. |
| (b) Ordinary leave (Privilege) | Thirty days per annum. |
| (c) Sick leave | As per Bank's policy. |

By Order of the Board

Place : Bangalore
Date : 07-Aug-2009

(M V S Appa Rao)
Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member. The instrument of proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Bank at ING Vysya House, No. 22, M.G. Road, Bangalore - 560 001 at least 48 hours before the commencement of the meeting.
2. Register of Members and Share Transfer Books of the Bank shall remain closed from Friday, 21-Aug-2009 to Friday, 04-Sep-2009 (both days inclusive).

Dividend for the year ended 31-Mar-2009, if declared at the Meeting, will be paid on and from Friday, 04-Sep-2009 but not beyond Saturday, 03-Oct, 2009.

- (i) to those Members, holding shares in physical form, whose names appear in the Register of Members at the close of business hours on Thursday, 20-Aug-2009 after giving effect to all valid transfers in physical form lodged with the Bank and / or its Registrar and Share Transfer (R & T) Agents on or before Thursday, 20-Aug-2009; and



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- (ii) in respect of shares held in electronic (demat) form, on the basis of beneficial ownership as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on Thursday, 20-Aug-2009.

In terms of the directives of Securities and Exchange Board of India (SEBI), that shares issued by companies should rank pari passu in all respects, including dividend entitlement, equity shares allotted by the Bank during the period 1-Apr-2008 to 20-Aug-2009 including equity shares allotted under the ING Vysya Bank Employees Stock Option Schemes apart from Rights Shares kept in abeyance in respect of Rights Issue made in 2005, will be entitled for full dividend for the financial year ended 31-Mar-2009, if declared at the Meeting subject to applicable regulations.

3. Pursuant to the provisions of Section 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government and, thereafter, no payments shall be made by the Bank or by the IEPF in respect of such amounts. Therefore, the amount of unclaimed dividend for the financial years ended up to 31-Mar-2001 has been transferred, and for the financial year ended 31-Mar-2002 it will be transferred to IEPF on or before due date i.e., 27-Oct-2009.

Members who have not yet encashed their dividend warrant(s) for the financial year ended 31-Mar-2002 and subsequent years are requested to submit their claims to the R & T Agents of the Bank without any delay.

4. Electronic mode of remittance:

Members holding shares in electronic form may please note that, in terms of the mandate of the SEBI, dividend will be credited through Electronic mode of remittance to the Bank Account of the Shareholder mentioned in the details furnished by the respective Depositories to the Bank on the date of book closure, provided the MICR / IFS Code has also been furnished and the Bank account pertains to a city where ECS / NEFT facility is available. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, nominations, power of attorney, change of address / name etc., to their depository participant only and not to the Bank or its R & T Agents. Such changes will automatically reflect in the Bank's records.

5. Members holding shares in physical form are requested to notify the changes, if any, in their address immediately to the R & T Agents / Bank giving full address in capital letters with the relevant Postal Index Number (PIN) code.
6. Members holding shares in physical form are requested to quote their Registered Folio number in their correspondence with the R & T Agents / Bank. Those Shareholders who have dematerialised their shares are requested to quote their Client Id No. and DP Id No. in their correspondence with the R & T Agents / Bank.
7. Only registered members / beneficial owners carrying their attendance slips and holders of valid proxy forms registered with the Bank are permitted to attend the meeting and they are encouraged to carry the Annual Report mailed to them.
8. Members are requested to avoid being accompanied by non-members and / or children.
9. Members are requested to be seated at the meeting hall before the scheduled time of commencement of the Annual General Meeting.
10. Pursuant to the requirements relating to Corporate Governance under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the information about the Directors proposed to be appointed / re-appointed is given in the Annexure to this Notice.

By Order of the Board

Place : Bangalore
Date : 07-Aug-2009

(M V S Appa Rao)
Company Secretary



EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 7

Mr. Meleveetil Damodaran was appointed by the Board under Section 260 of the Companies Act, 1956, as an Additional Director effective 21-Jul-2008 to hold office up to the date of the 78th Annual General Meeting of the Bank. The Bank has received a notice from a member under Section 257 of the Companies Act, 1956 in respect of Mr. Meleveetil Damodaran proposing his appointment as a Director of the Bank, along with the requisite deposit.

The Nomination (Corporate Governance) Committee has undertaken the due diligence of Mr. Meleveetil Damodaran as per the guidelines of Reserve Bank of India and has declared that he is 'fit and proper' for appointment as Director liable to retire by rotation.

It is now proposed to appoint Mr. Meleveetil Damodaran as Director of the Bank, liable to retire by rotation.

Except Mr. Meleveetil Damodaran, none of the other Directors are concerned or interested in this resolution. However, Messrs Philippe Damas, Ryan Padgett, Richard Cox, Wilfred Nagel, Vaughn Nigel Richtor and Ramakrishnan Subramanian being in the employment of ING may be considered as interested in the proposal to the extent that Mr. Meleveetil Damodaran is acting as an advisor to ING for its operations in India.

ITEM No. 8:

Mr. Vaughn Nigel Richtor took charge as Managing Director and CEO of the Bank for a period of three years effective 07-Feb-2006 in terms of approval of Reserve Bank of India (RBI) vide its letter No. DBOD No. 455/08.57.001/2005-06 dated 29-Dec-2005. On expiry of his initial term on 06-Feb-2009, the Board extended his tenure for a further period of two months effective 07-Feb-2009 subject to RBI's approval. The RBI approved the extension of tenure on the existing terms and conditions vide its letter No. DBOD No. 10070/08.57.001/2008-09 dated 23-Dec-2008.

In compliance with the provisions of Section 302 (7) of the Companies Act, 1956, an abstract of the terms and conditions of the extension of tenure of Mr. Vaughn Nigel Richtor as Managing Director and CEO was mailed to the shareholders during February, 2009. The extension of tenure of Mr. Vaughn Nigel Richtor as Managing Director and CEO on the existing terms and conditions as set out in the resolution is now placed before the shareholders for their approval.

Except Mr. Vaughn Nigel Richtor, none of the other directors are concerned or interested in this resolution. However, Messrs Philippe Damas, Ryan Padgett, Richard Cox, Wilfred Nagel, and Ramakrishnan Subramanian being in the employment of ING and Mr. Meleveetil Damodaran acting as an advisor to ING for its operations in India may be considered as interested in the proposal to the extent that Mr. Vaughn Nigel Richtor is also on secondment from ING.

ITEM No. 9:

Upon completion of his initial tenure of three years and two months extension as Managing Director and CEO, Mr. Vaughn Nigel Richtor relinquished his office at close of business on 06-Apr-2009. He also ceased to be a Director as his directorship was co-terminus with his term as Managing Director and CEO in terms of the resolution passed at the 75th AGM of the Bank held on 26-Sep-2006.

Subsequently, the Board appointed Mr. Vaughn Nigel Richtor as an Additional Director under Section 260 of the Companies Act, 1956, effective 01-Jun-2009 to hold office up to the date of the 78th Annual General Meeting of the Bank.

The Bank has received a notice from a member under Section 257 of the Companies Act, 1956 in respect of Mr. Vaughn Nigel Richtor proposing his appointment as a Director of the Bank, along with the requisite deposit.



The Nomination (Corporate Governance) Committee has undertaken the due diligence of Mr. Vaughn Nigel Richtor as per the guidelines of Reserve Bank of India and has declared that he is 'fit and proper' for appointment as Director liable to retire by rotation.

It is now proposed to appoint Mr. Vaughn Nigel Richtor as Director of the Bank, liable to retire by rotation.

Except Mr. Vaughn Nigel Richtor, none of the other directors are concerned or interested in this resolution. However, Messrs Philippe Damas, Ryan Padgett, Richard Cox, Wilfred Nagel, and Ramakrishnan Subramanian being in the employment of ING and Mr. Meleveetil Damodaran acting as an advisor to ING for its operations in India may be considered as interested in the proposal to the extent that Mr. Vaughn Nigel Richtor is also in the employment of ING.

ITEM No. 10:

Mr. K. R. Ramamoorthy was appointed as a Part-time Chairman of the Bank for a period of three years effective 05-May-2006. During his term, Mr. K R Ramamoorthy has been devoting his valuable time and rendering services on several significant governance issues pertaining to the Bank. RBI granted its approval for his re-appointment vide its letter No. DBOD No.20390/08.57.001/2008-09 dated 28-May-2009 for a period up to 07-Jul-2010 with effect from the date of expiry of his previous term on 05-May-2009. Further, RBI vide its letter No. DBOD No.441/08.57.001 /2008-09 dated 06-Jul-2009 has approved, under Section 35B of the Banking Regulation Act, 1949, the remuneration to Mr. K R Ramamoorthy with effect from the date of his re-appointment i.e., 05-May-2009 on the terms and conditions set out in the resolution. The Board of Directors at its meeting held on 21-Jul-2009 recommended that approval of the members be sought on the payment of remuneration to Mr. K. R. Ramamoorthy, Part-time Chairman.

Mr. K R Ramamoorthy is a senior banker, with over 40 years of commercial and banking experience in India. He is on the Board of various corporate entities as Independent Director. Prior to joining the Banking industry, Mr. K R Ramamoorthy had worked for private sector entities for nearly two decades. After his career in leadership positions, Mr. K R Ramamoorthy has been consulting independently and through his firm BankConsult, for The World Bank, International Finance Corporation, (a member of the World Bank Group), IMF, DAI, Europe and for commercial banks in developing countries.

None of the Directors, except Mr. K. R. Ramamoorthy, is, either directly or indirectly, concerned or interested in this resolution.

ITEM No. 11 : Further Issue of Capital

The Bank needs to augment its capital keeping in view the current macro-economic environment, the bank's growth and to enhance its capital adequacy ratio. Hence, the Bank plans to issue up to 2,41,09,456 Equity Shares or Securities equivalent thereto and therefore proposes issue of securities. The actual composition of various instruments will be decided by the Board in consultation with the Merchant Bankers / Investment Bankers and as per the requirements of the funds from time to time and such offer shall be made to any person including domestic / foreign investors, Foreign Institutional Investors, Qualified Institutional Buyers, Trusts, Mutual Funds, Banks, Insurance Companies, Pension Funds etc., whether they be holders of the Equity Shares of the Bank or not.

Accordingly, the consent of the shareholders of the Bank is being sought, pursuant to the provisions of Section 81(1) and Section 81(1A) and other applicable provisions of the Companies Act, 1956 ("Act"), SEBI (Disclosure and Investor Protection) Guidelines, 2000 ("SEBI DIP Guidelines") and in terms of the provisions of the Listing Agreements, to issue and allot Securities as stated in the Special Resolution.

None of the Directors of the Bank is, in any way, concerned or interested in the Resolution. The Board recommends the resolution for your approval.

ITEM No. 12 : Private Placement of Equity to the Qualified Institutional Buyers

The Bank is proposing to issue Securities to the Qualified Institutional Buyers to augment the resources of the Bank and for this purpose seeks your approval to the resolutions proposed.



Accordingly, the Bank proposes to make a further issue of shares by way of Qualified Institutions Placement ("QIP") in terms of Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000. The number of Securities to be issued shall not exceed 1,33,15,155 Equity Shares or Securities equivalent thereto. These Securities will be allotted only to Qualified Institutional Buyers in accordance with the SEBI Guidelines.

As per Chapter XIII-A of the said SEBI DIP Guidelines, 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 Securities quoted on a stock exchange during the two weeks preceding the Relevant Date.

The "Relevant Date" means the date of the meeting in which the Board or the Committee of Directors duly authorised by the Board, decides to open the proposed issue.

The exact price, proportion, timing and terms of the issue of Securities under the QIP will be decided by the Board based on the analysis of specific requirements in consultation with the merchant bankers to the QIP in accordance with the SEBI Guidelines and other applicable guidelines issued by any statutory authority(ies).

In accordance with the SEBI Guidelines, special resolution of the shareholders in accordance with Section 81(1A) of the Act is required for a QIP issue. The allotment of Securities will be made within a period of one year from the date of passing of the aforesaid Special Resolution in the present AGM excluding the time taken in obtaining the necessary approvals, if any, or within such further period as may be prescribed or allowed by the SEBI, stock exchange(s) or other concerned authorities.

Accordingly, the consent of the shareholders is being sought, pursuant to the provisions of Section 81(1A) and other applicable provisions of the Act and SEBI DIP Guidelines and in terms of the provisions of the listing agreements, to issue and allot Securities as stated in the Special Resolution:

The proposed QIP issue is in the interest of the Bank and the shareholders and the Directors recommend the passing of the resolution under this item as a special resolution.

None of the Directors of the Bank is interested or concerned in any manner in the proposal contained in this resolution under this item.

Item No. 13 : Preferential Allotment to Foreign Promoters

Objects and purpose of the Preferential Issue: Your Bank proposes to raise funds by way of issue up to 1,07,94,301 Equity Shares of Rs. 10 (Rupees Ten only) each through preferential allotment for cash at a price not less than the floor price of Rs. 207.39 per Equity Share as determined in accordance with the SEBI DIP Guidelines to ING Mauritius Holdings and ING Mauritius Investments I ("Investors") (such issue of shares being hereinafter referred to as "Preferential Issue"). The objective of the Preferential Issue is to enhance long term resources for the Bank.

The proposed Preferential Issue is subject to the approval of the members of the Bank and other statutory approvals, if any. Since the Bank is a listed company, the proposed issue is in terms of the provisions of the SEBI DIP Guidelines, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and other applicable provisions, if any. In terms of the provisions of the Act and the aforesaid SEBI guidelines and regulations, the relevant disclosures/details are given below:

Instrument and Numbers: The Bank is proposing to issue up to 1,07,94,301 Equity Shares in the following manner:

- (a) Issue of up to 83,92,014 Equity Shares to ING Mauritius Holdings; and
- (b) Issue of up to 24,02,287 Equity Shares to ING Mauritius Investments I.

Relevant Date and Issue Price: As per Chapter XIII of the said SEBI DIP Guidelines, issue of Equity shares, on a preferential basis, can be made at a price not less than the higher of the following:

- (a) The average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the six months preceding the Relevant Date; or