LAKSHMI VILAS BANK

Secretarial Department, A.O, Karur

Ref/Sec/205/171/2013-14 November 13, 2013

To
The Manager
Listing Department
M/s.National Stock Exchange of India Limited
"Exchange Plaza,"
Bandra-Kurla Complex,
Bandra (E)
Mumbai – 400 051.

Symbol	Series
LAKSHVILAS	EQ

Sir,

Sub: Dispatch of Postal Ballot.

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Please find enclosed the Notice of Postal Ballot to the shareholders in pursuance of Clause 31 of the Listing Agreement for your records.

Thanking you,

Yours faithfully,

N. Ramanathan
Company Secretary

SECRETARIAL DEPARTMENT LVB A.O KARUR-6

Encl: A/a

LAKSHMI VILAS BANK

THE LAKSHMI VILAS BANK LIMITED

Registered Office: Salem Road, Kathaparai, Karur – 639 006.

Serial No.

POSTAL BALLOT FORM

1. Registered Folio No. / DP ID No. & Client ID No.
2. Name(s) and Registered Address of the sole/first named Shareholder / Beneficial owner, including Joint holder(s), if any (in block letter)
3. Number of shares held

I/We hereby exercise my/our vote in respect of the following Resolution to be passed through Postal Ballot for the business stated in the Notice dated 11th November 2013 of the Bank, by sending my/our Assent or Dissent to the said resolutions by placing tick (✓) mark at appropriate box below:

Brief Description	Type of resolution	No. of shares	I / We assent to the resolution (FOR)	I / We dissent to the resolution (AGAINST)
1. To Increase Authorized Capital	Special			
2. Amendment of Capital Clause of Memorandum of Association	Special			
3. Amendment of Article 3 of the Articles of Association	Special			
4. Amendment of various Clauses of Article of Association to enable appointment of Whole time Director and Vice-Chairman	Special			

Place:

Date:

Signature of the Member
(Please refer instructions No: 3 & 8 overleaf)

ELECTRONIC VOTING PARTICULARS		
EVSN (Electronic Voting Sequence Number)	User ID	PASSWORD

Note : Please read carefully the instructions printed overleaf before exercising the vote through this form and for e-voting, please refer the instructions under 'e-Voting Facility" In the Notice attached herewith.

LAKSHMI VILAS BANK

THE LAKSHMI VILAS BANK LIMITED

Registered Office: Salem Road, Kathaparai, Karur – 639 006.

POSTAL BALLOT NOTICE

(Pursuant to Section 192 A of the Companies Act, 1956)

To

The Members of the Lakshmi Vilas Bank Limited

Notice is hereby given that pursuant to Section 192A of the Companies Act, 1956 read with companies (passing of the Resolution by Postal Ballot) Rules, 2011 the following Special Resolutions, in respect of the Special Business more specifically provided in the appended resolutions, are proposed to be passed by Postal Ballot.

Resolutions for authorizing:

1. Increase in the Authorized Capital
2. Amendment of Capital Clause of Memorandum of Association
3. Amendment of Article 3 of the Articles of Association
4. Amendment of various Clauses of Articles of Association to enable appointment of Whole Time Director and Vice-Chairman

SPECIAL BUSINESS:

Item No.1: To Increase the Authorized Capital

To consider and, if deemed fit, to pass through Postal Ballot, the following resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 94 and all other applicable provisions, if any, contained under the Companies Act, 1956, the Authorized Capital of the Bank be increased from Rs.150,00,00,000 (Rupees One Hundred and Fifty Crores Only) divided into 15,00,00,000 equity shares of Rs.10/- each to Rs.300,00,00,000 (Rupees Three Hundred Crores Only) divided into 30,00,00,000 equity shares of Rs.10/ each, ranking pari passu in all respect with the existing Equity Shares of the Company.

Item No.2: Amendment of Capital Clause of Memorandum of Association:

To consider and, if deemed fit, to pass through Postal Ballot, the following resolution as Special Resolution:

RESOLVED THAT the existing Clause 6 of the Memorandum of Association of the Bank be amended and shall stand substituted as follows:

6. The liability of the members is limited. The authorized capital of the Bank is Rs.300,00,00,000 (Rupees Three Hundred Crores Only) divided into 30,00,00,000 equity shares of Rs.10/- each. The authorized capital can be increased, reduced, sub-divided or modified by the Board of Directors with the consent of the General Body.

Item No.3: Amendment of Article 3 of the Articles of Association:

To consider and if deemed fit, to pass through Postal Ballot, the following resolution as Special Resolution:

RESOLVED THAT the existing Article 3 of the Articles of the Association of the Bank, be amended and shall stand substituted as follows:

3. The authorized share capital of the Bank is Rs.300,00,00,000 (Rupees Three Hundred Crores Only) divided into 30,00,00,000 (Thirty crores only) equity shares of Rs.10/- each.

Item No.4: Amendment of various Clauses of Articles of Association to enable appointment of Whole Time Director and Vice-Chairman:

To consider and if deemed fit, to pass through Postal Ballot, the following resolution as Special Resolution:

Pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof) the following Articles of Association of the Bank be and is hereby amended to enable the appointment of Whole-Time Director and Vice-Chairman as follows:

RESOLVED THAT in Article 2 after sub-clause (f) the following sub-clause (g) and (h) shall be inserted:

(g) "Non-Executive Vice Chairman" means a Non-Executive Vice Chairman appointed by the Board under Article 14 as Non-Executive Vice Chairman.

(h) "Whole Time Director" includes a director in the whole-time employment of the bank.

RESOLVED FURTHER THAT the existing clause 10 (e) of the Articles of the Association of the Bank, be amended and shall be substituted as under:

"10 (e) The Executive or Non-Executive Chairman or in his absence, the Non-Executive Vice- Chairman, if any, of the Board shall preside as Chairman at every general meeting of the company. If there is no such Executive or Non-Executive Chairman or Non-Executive Vice Chairman, or they are not present within fifteen minutes after the time appointed for holding the meeting or is unwilling or not able to attend and act as Chairman of the meeting, the Directors present shall elect any one of them to be the Chairman of the meeting."

RESOLVED FURTHER THAT the existing clause 14 of the Articles of the Association of the Bank, be amended and shall be substituted as under:

"14. Subject to the provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof) and the Banking Regulation Act, 1949 the Board of Directors of the Bank shall elect or appoint a Whole time Chairman and Chief Executive Officer of its Board. The Whole time Chairman and Chief Executive Officer shall be entrusted with the Management of the whole of the affairs of the Bank subject to the superintendence, control and direction of the Board of Directors.

Alternatively, the Board of Directors may subject to the prior approval of RBI, appoint or re-appoint one of them to be the Non-Executive Chairman of the Bank for such a period and subject to such conditions as the RBI may specify, while giving such approval, and that in such event the management of the whole of the affairs of the Bank shall be entrusted to a Managing Director who will be the Chief Executive Officer of the Bank and who shall exercise his powers subject to the superintendence, control and direction of the Board of Directors.

The Board of Directors may appoint one of them, subject to the prior approval of RBI, as a Whole Time Director of the bank, who shall be in the whole-time employment of the bank and receive such remuneration as approved by the Board of Directors under the applicable provisions of the Companies Act. The Whole Time Director shall exercise such powers as prescribed by the Board from time to time and subject to the superintendence, control and direction of the Board of Directors including the Managing Director.

The Chairman (whether Executive or Non-Executive Chairman) shall preside over the meeting of the Board of Directors and the General Meeting of the Bank and he shall have the second or casting vote. In his absence or non-availability, the Non-Executive Vice Chairman, if any, shall preside over the meeting of the Board of Directors and the General Meeting of the Bank and shall exercise the powers of the Chairman including the second or casting vote."

RESOLVED FURTHER THAT the existing clause 15 of the Article of the Association of the Bank, be amended and shall be substituted as under:

"15. Every Whole Time Chairman and Chief Executive Officer or alternatively Non-Executive Chairman or Managing Director & CEO or Non-Executive Vice Chairman or the Whole Time Director of the Bank shall hold office for such period, not exceeding five years, as the Board of Directors may fix and on such remuneration as may be determined by General Body and shall subject to the provisions of the Act or the Banking Regulation Act, be eligible for re-election or re-appointment but shall not be liable to retirement by rotation."

RESOLVED FURTHER THAT the third proviso to the existing clause 16 of the Articles of the Association of the Bank, be amended and shall be substituted as under:

"16. Third proviso: Provided further that the Executive or Non-Executive Chairman or Non-Executive Vice Chairman or Managing Director & CEO or the Whole Time Director shall not be required to hold any qualification shares."

RESOLVED FURTHER THAT the existing clause 26 of the Articles of the Association of the Bank, be amended and shall be substituted as under:

"26. The Board may pay such remuneration, as it considers proper to a Director other than Executive or Non-Executive Chairman or Non-Executive Vice Chairman or the Whole Time Director or Managing Director & CEO who is called upon to render any special or extra work to the bank, subject to the provisions of the Banking Regulation Act."

RESOLVED FURTHER THAT the existing clause 28 (b) & (c) of the Articles of the Association of the Bank, be amended and shall be substituted as under:

"28 (b): To have the superintendence, control and direction over the Executive or Non-Executive Chairman or Non-Executive Vice Chairman or the Whole Time Director or Managing Director & CEO, Secretary, Managers, Officers and all other employees of the Bank.

28 (c): To delegate, subject to the provisions of Section 292 of the Act, by a resolution passed at a meeting to any Committee of Directors or Executive or Non-Executive Chairman or Non-Executive Vice Chairman or the Whole Time Director or Managing Director & CEO of the Bank or other Executives / Officers of the Bank or to a Committee of such Executives / Officers:

(i) The power to borrow money otherwise than on debentures.

(ii) The power to invest the funds of the bank.

(iii) The power to make loans."

By order of the Board of Directors
For The Lakshmi Vilas Bank Limited

Place: Karur
Date: 11.11.2013

N. Ramanathan
Company Secretary

Notes:

1. The Board of Directors has appointed Mr. K. Muthusamy, FCS, Practicing Company Secretary, Coimbatore as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
2. Explanatory statement as required under Section 173(2) of the Companies Act, 1956 is annexed to this notice. A Postal Ballot Form is also enclosed.

The Notice is being sent to all the Members whose names appear in the Register of Members/beneficiary position maintained by the Depositories as on 08.11.2013. Voting rights shall be reckoned on the paid up value of the shares registered in the names of Members as on 08.11.2013.

Instructions for Voting

Voting through physical Postal Ballot form:

1. The Members are requested to carefully read the instructions printed in the Postal Ballot form and return the Postal Ballot form duly completed with the assent (for) or dissent (against), in the enclosed postage pre-paid self-addressed envelope, so as to reach the Scrutinizer, before the closing of working hours i.e 5.00 PM on 14.12.2013 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
2. The Members are requested to exercise their voting rights by using the attached Postal Ballot form only. No other form or Photocopy of the form is permitted.
3. Envelopes containing Postal Ballot form if deposited in person or sent by courier at the expense of the Members will also be accepted.

E-Voting Facility

The Company is pleased to offer e-voting facility as an alternative to its Members, to enable them to cast their vote electronically instead of dispatching Postal Ballot. The procedure for the same is as under:

- Open your web Browser during the voting period and log on to the e-voting website www.evotingindia.com
- Click on the "Shareholders" to cast your votes.
- Select the "Electronic Voting Sequence Number (EVSN)" along with "The Lakshmi Villas Bank Limited" from the drop down menu and click on "SUBMIT".
- Fill up the following details in the appropriate boxes:

- USER ID and Initial Password as provided in the Postal Ballot form
- PAN: Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department (For shares held in physical form and where PAN has not been provided/ updated by the shareholder/s, then those shareholders have to vote through physical ballot form only).

- After entering these details appropriately, click on 'SUBMIT'
- Members holding shares in physical form will then reach directly to the voting screen. However, Members holding shares in demat form will now be required to mandatorily change their password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one Lower case (a-z) one numeric value (0-9) and a special character. The members can enter their demographic details i.e., Mobile Number and email id. Email-Id may be used in case the Member forgets the password and the same needs to be reset. Kindly note that the changed password can be used by the demat shareholders for voting for resolution of any other company in which they are eligible to vote, provided that company opts for e-voting through CDSL e-Voting platform.
- If you are holding shares in Demat form and had logged on to www.evotingindia.com and cast your vote earlier for EVSN of any company, then your existing password is to be used.
- On the voting page, you will see resolution description and option for voting YES/NO against resolution description. The option "YES" implies that you assent to the Resolution & "NO" Implies that you dissent to the Resolution.
- Click on the 'Resolution File Link' if you wish to view the entire resolution file.
- Enter the number of shares (which represents number of votes) under YES/NO, or alternatively, you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.
- 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" & accordingly modify your vote.
- Once you have confirmed your vote on the resolution, you will not be allowed to modify your vote.
- Institutional Members (i.e., Other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority Letter, etc., together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail at jmacsassociates@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
- Kindly note that the members can opt only one mode of voting i.e., either by Physical ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also & vice-versa; you may partially enter any number in YES and partially in NO, but the total number in YES and NO, taken together should not exceed your total shareholding. However, in case the Member(s) cast their vote both viz., Physical voting & e-voting, then voting validly done through e-voting shall prevail and voting done by physical ballot shall be treated as invalid.
- E-voting needs to be exercised before the close of working hours i.e. 5.00 pm on 14.12.2013 for the vote exercised to be treated as valid.
- If you wish to provide feedback on the e-voting system or you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com.

General

a. The Scrutinizer will submit the report to the Chairman after completion of the scrutiny and the results of the Postal Ballot will be announced on or before 17.12.2013 at the Registered Office of the Bank. The results of the Postal Ballot will be hosted on the Bank's website at www.lvbank.com for information of the Member, besides being communicated to the stock exchanges on which the shares of the bank are listed. The date of declaration of the Postal Ballot results will be taken as the date of passing the Resolutions.

b. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

Explanatory statement pursuant to Section 173(2) and 192A(2) of the Companies Act, 1956

Item: 1, 2 and 3

It is proposed to alter and increase the Authorised Share Capital from Rs.150,00,00,000 (Rupees One Hundred and Fifty Crores Only) divided into 15,00,00,000 equity shares of Rs.10/- each to Rs.300,00,00,000 (Rupees Three Hundred Crores Only) divided into 30,00,00,000 equity shares of Rs.10/ each. Accordingly, Clause 6 of the Memorandum of Association and Article 3 of the Articles of Association is sought to be amended to reflect the increased capital.

The Resolutions contained in Item Nos.1, 2 & 3 seek to increase the Authorised Share Capital of the Bank, as aforesaid and to alter the Memorandum of Association of the Bank, consequent to such increase in the Authorised Share Capital of the Bank. Similarly, being a consequential amendment, Article 3 of the Articles of Association is also being amended.

The Board of Directors recommends the Resolutions set out at Item nos. 1, 2 and 3 for the approval of the members.

None of the Directors is concerned or interested in the passing of these Resolutions.

Item: 4

The Board of Directors of the bank considers appointing Whole Time Director and / or Vice-Chairman from time to time on the Board of the bank in order to have an effective management of the affairs of the Bank. To enable such appointments, suitable amendments are being introduced in the Articles of Association of the bank.

The Board of Directors recommends the Resolutions set out at Item nos. 4 for the approval of the members.

None of the Directors is concerned or interested in the passing of these Resolutions.

By order of the Board of Directors
For The Lakshmi vilas Bank Limited

Place: Karur
Date: 11.11.2013

N. Ramanathan
Company Secretary

INSTRUCTIONS

1. A Member desiring to exercise vote by Postal Ballot should complete this Postal Ballot form and send it to the Scrutinizer in the enclosed self-addressed business reply envelope properly sealed. The Members need not affix postal Stamps since the postage will be paid by the Bank. However envelopes containing Postal Ballots, if sent by courier or by registered post at the expenses of the Members will also be accepted.
2. The self-addressed envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Bank.
3. This form should be completed and signed by the Member (as per the specimen signature Registered with the Bank / Depository participant. In case of Joint holding, this form should be completed and signed by the first named Member and in his / her absence, by the next named Member.
4. Incomplete or unsigned Postal Ballot form will be rejected.
5. Duly completed Postal Ballot form should reach the Scrutinizer not later than the close of working hours i.e. 5.00 pm 14.12.2013. Postal Ballot forms received after this date will be strictly treated as if the reply from the member has not been received.
6. The consent must be accorded by recording the assent in column "FOR" and dissent in the Column "AGAINST" by placing a tick mark (✓) in the appropriate column.
7. Voting rights shall be reckoned on the paid up value of shares registered in the name/s of the Members on 08.11.2013.
8. In case the shares are held by bodies corporate or by persons authorized under power of attorney, the Postal Ballot form signed in representative capacity must be accompanied by a certified true copy of the resolution of the board of directors of the concerned body corporate or by an attested true copy of the power of attorney authorizing such persons, as the case may be, along with a specimen signature of the said authorized representative or power of attorney holder. If the same is/are already registered with the Bank/ Depository participant, please quote the Registration number beneath the Signature. Where the Postal Ballot form has been signed by a representative of the President of India or by the Governor of a State, a certified true copy of the nomination should accompany the Postal Ballot form.
9. The Members are requested not to send any other document along with the Postal Ballot form in the enclosed self addressed envelope as all such envelopes will be delivered to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
10. A Member need not use all votes nor needs to cast all the votes in same way.
11. A Member may request duplicate Postal Ballot form, if so required. However, the duly filled duplicate Postal Ballot form should reach the Scrutinizer not later than the date specified at item No. 5 above.
12. The Scrutinizer's decision on the validity of Postal Ballot will be final.