



THE KARNATAKA BANK LIMITED

(Regd & Head Office: Mahaveera Circle, Kankanady, Mangalore - 575002)

NOTICE TO THE MEMBERS

NOTICE is hereby given that an Extra-Ordinary General Meeting of the members of The Karnataka Bank Ltd will be held as scheduled below:

Date: September 9, 2010

Day: Thursday

Time: 4.30 PM

Place: Registered & Head Office, Mahaveera Circle, Kankanady, Mangalore-575002

to transact the following business:

SPECIAL BUSINESS

1. To consider the passing of the following resolution as a SPECIAL RESOLUTION with or without modifications.

“RESOLVED THAT in supersession of the Resolution No.11 approved by the members at the Annual General Meeting held on July 12, 2008, pursuant to the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or reenactment thereof, for the time being in force), and subject to the Regulations/Guidelines issued by the Securities and Exchange Board of India (SEBI) and subject to the provisions of Listing Agreements entered into with the Stock Exchanges where the shares of the Company (also called the Bank) are listed and the provisions of Memorandum and Articles of Association of the Bank and subject to such other approvals, consents and permissions, as may be necessary and subject to such terms and conditions and modifications as may be stipulated by any of them while granting such approvals, consents and permissions 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 constituted by the Board for the time being exercising the powers conferred on such Committee by the Board) in its absolute discretion, consent of the Bank be and is hereby accorded to the Board to offer, issue and allot to the shareholders on RIGHTS basis or to their renounees, if any, equity shares of the face value of Rs 10 (TEN) each for cash at a price not exceeding Rs 100 (One hundred) per share as may be decided by the Board in the ratio of 2(TWO) equity shares for every 5(FIVE) equity shares held on the record date, which date to be decided by the Board in due course, on such terms and conditions including modification/s as may be decided and deemed appropriate by the Board at the time of issue and allotment in consultation with the Lead Managers.

RESOLVED FURTHER that the equity shares to be so offered , issued and allotted shall rank pari- passu in all respects with the existing shares of the Bank including dividend.

RESOLVED FURTHER that the shares so issued shall be listed on the Stock Exchanges where the existing shares of the Bank are listed.

RESOLVED FURTHER that such shareholders who fail to lodge their application forms as prescribed in the rights issue offer document on or before the last date for acceptance of applications as provided in such document will be deemed to have declined their respective entitlements to the rights shares and the Board be and is hereby authorized to dispose of such entitlements in favour of any other person/s as the Board in its absolute discretion thinks most beneficial to the Bank.

RESOLVED FURTHER that for the purpose of giving effect to the resolution, the Board or a Committee constituted by the Board, be and is hereby authorized on behalf of the Bank to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable including the manner of disposing of/dealing with the fractional entitlements in the best interests of the shareholders.

By the order of Board of Directors
For The Karnataka Bank Ltd

Date : July 30, 2010
Place: Mangalore

Y V Balachandra
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 AND SUCH PROXY NEED NOT BE A MEMBER OF THE BANK
2. Proxies if any, duly completed in the prescribed proxy form shall be deposited at the Registered Office of the Bank at least 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the business to be transacted at the meeting is annexed.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No 1 of the Notice.

The members of the Bank at the Annual General Meeting held on July 12, 2008 had approved the issue of equity shares of the Bank in the ratio of 1 (ONE) equity share for every 5(FIVE) equity shares at a price not exceeding Rs 100 per share on RIGHTS basis. However, the Bank came out with issue of equity shares through Qualified Institutions Placement (QIP) in the subsequent year and issue of shares on Rights basis was not taken up by the Board of Directors. Now the Board of Directors at the meeting held on July 30, 2010 has revised the offer ratio and accordingly it has been decided to issue and offer rights shares in the ratio of 2 (TWO) equity shares for every 5 (FIVE) equity shares held on the record date to be decided in due course at a price not exceeding Rs 100 per share including the premium. The issue will enable the Bank to expand its business and improve the Capital to Risk Weighted Assets Ratio (CRAR).

The resolution set out in the notice seeks members consent for the issue of shares on Rights basis and to authorize the Board to dispose of the unsubscribed portion of the issue, if any, to any other person who may or may not be the member of the Bank. While offering the rights shares, it is proposed to discard the fractional entitlements of less than 0.50 in all categories of shares except where the shareholders hold one share in which case they will be offered ONE share. The fractional entitlements of 0.50 and above will be rounded off to the next integer. In view of the above the total number of shares offered may vary marginally.

The Directors of the Bank may be deemed to be concerned or interested in the resolution to the extent of the entitlements for shares that may be offered to them on Rights basis or otherwise applied and allotted to them.

The Board of Directors recommends the resolution for approval by the members.

Date : July 30, 2010
Registered Office
P B No 599, Mahaveera Circle
Kankanady
Mangalore - 570002

By the Order of the Board of Directors
For The Karnataka Bank Ltd

Y V Balachandra
Company Secretary

THE KARNATAKA BANK LIMITED

(Regd & Head Office: Mahaveera Circle, Kankanady, Mangalore - 575002)

EXTRA- ORDINARY GENERAL MEETING

DATE : 9.9.2010

TIME : 4.30 PM

ADDRESS: Registered & Head Office
Kankanady, Mangalore-575002

PLEASE ✓

Member ☐

Joint holder ☐

Proxy ☐

NAME:

Folio No/DP ID & client ID

HEREBY RECORD MY PRESENCE AT THE EXTRA-ORDINARY GENERAL MEETING OF
THE KARNATAKA BANK LIMITED.

NAME OF PROXY IF
ATTENDING FOR MEMBER

SIGNATURE OF MEMBER/
PROXY

TEAR HERE

FORM OF PROXY

THE KARNATAKA BANK LIMITED

(Regd & Head Office: Mahaveera Circle, Kankanady, Mangalore - 575002)

I/we OF
IN THE DISTRICT BEING A MEMBER/MEMBERS OF THE
ABOVE NAMED COMPANY HEREBY APPOINT OF
. IN THE DISTRICT OF
OR FAILING HIM OF
IN THE DISTRICT OF AS MY/OUR PROXY TO VOTE FOR
ME/US ON MY/OUR BEHALF AT THE EXTRA-ORDINARY GENERAL MEETING OF THE
COMPANY TO BE HELD ON 09-09-2010 AND AT ANY ADJOURNMENT THEREOF.

SIGNED THIS DAY OF 2010

NB: PROXY DULY SIGNED SHOULD BE DEPOSITED AT
THE BANK'S REGISTERED OFFICE 48 HOURS BEFORE
THE TIME APPOINTED FOR THE MEETING.

To be signed on
revenue stamp of
15 paise
Signature

BOOK POST
UNDER CERTIFICATE OF POSTING

To

If undelivered please return to

The Company Secretary
The Karnataka Bank Limited
Registered & Head Office
Mahaveera Circle
Kankanady
Mangalore-575002
Tel: 0824-2228182