

## NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Amendment Rules, 2015]

To the Members of The Karur Vysya Bank Limited,

Notice is hereby given that, pursuant to Section 110 of the Companies Act, 2013 ('the Act'), read with the Companies (Management and Administration) Amendment Rules, 2015 ('the Rules'), including any statutory modification(s) or re-enactment thereof, for the time being in force, and other applicable laws if any, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Resolutions appended below for sub-division of Equity Shares and consequential amendments to the Memorandum and Articles of Association of the Bank seeking the consent of the shareholders are proposed to be passed by the Members through Postal Ballot process which includes voting by electronic means (E-voting).

The Board of Directors ('Board') has appointed Shri CS S Solaiyappan, Practicing Company Secretary, as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the enclosed self-addressed Business Reply Envelope. The consent must be accorded by recording the assent in the Column "FOR" and dissent in the Column "AGAINST" by placing a tick mark (✓) in the appropriate column. The postage will be borne by the Bank. However, envelopes containing postal ballots, if sent by courier or registered/speed post at the expense of the Members will also be accepted. The postal ballot form(s) may also be deposited in person at the address given in the Business Reply Envelope. The duly completed Postal Ballot Form(s) should reach the Scrutinizer not later than 5.00 p.m. on 26.10.2016 to be eligible for being considered, failing which, it will be considered that no reply from the Member has been received.

Members desiring to opt for e-voting are requested to read the instructions in the Notes under the section "E-Voting".

The Scrutinizer will submit his report to the Chairman or MD&CEO of the Bank after the completion of scrutiny, and the result of the voting by postal ballot (including e-voting) will be announced by the Chairman or MD&CEO of the Bank duly authorized on or before Friday, October 28, 2016 at the Registered Office of the Bank and will be displayed on the website of the Bank [www.kvb.co.in](http://www.kvb.co.in), besides being communicated to the Stock Exchanges i.e., National Stock Exchange of India Limited (NSE) where our Bank shares are listed and also at BSE Limited where our Bank shares are traded under permitted category.

### SPECIAL BUSINESS:

#### Item No. 1

**Sub-division of 1 (One) equity share of face value of ₹ 10/- each into 5 (Five) equity shares of face value of ₹ 2/- each**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of Section 61 and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of the Memorandum and Articles of Association of the Bank and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate statutory authorities or bodies, the consent of the shareholders be and is hereby accorded for sub-dividing the equity shares of the Bank, such that each equity share having a face value of ₹ 10/- (Rupees Ten only) each be sub-divided into 5 Equity Shares having a face value of ₹ 2/- each fully paid-up with effect from the Record Date (as determined by the Board)."

“RESOLVED FURTHER THAT pursuant to the sub-division of equity shares of the Bank, the Authorised, Issued, Subscribed and Paid-up Capital of face value of ₹ 10/- each, shall stand sub-divided into requisite number of equity shares of face value of ₹ 2/- each from the Record Date and on sub-division, 5 (Five Only) Equity Shares of face value of ₹ 2/- each shall be allotted in lieu of existing 1 (one) Equity Share of ₹ 10/- each face value subject to the terms of the Memorandum and Articles of Association of the Bank and shall rank pari passu in all respects with and carry the same rights as the existing fully paid-up equity shares of ₹ 10/- (Rupees Ten only) each of the Bank”.

“RESOLVED FURTHER THAT upon the sub-division of the Equity Shares as aforesaid, the existing share certificate(s) in relation to the existing Equity Shares of the face value of ₹ 10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and the Bank may without requiring the surrender of the existing Share Certificate(s) directly issue and despatch the new Share Certificate of the Bank, in lieu of such existing issued share certificate(s) subject to the provisions of the Companies (Share Capital and Debentures) Rules, 2014 and in the case of the Equity Shares held in the dematerialised form, the number of sub-divided Equity Shares be credited to the respective demat accounts of the beneficial owners with the Depository Participants, in lieu of the existing credits representing the Equity Shares of the Bank before sub-division as on the Record Date.”

“RESOLVED FURTHER THAT the balance options of Equity Shares of ₹ 10/- each face value available under KVB ESOS 2011 scheme shall be proportionately converted into options for Equity Shares of face value of ₹ 2/- each.”

“RESOLVED FURTHER THAT the Board of Directors of the Bank (which expression shall also include a Committee thereof) be and is hereby authorised to fix the Record Date and to take such steps as may be considered necessary or expedient for giving effect to the said resolutions.”

“RESOLVED FURTHER that the Board of Directors of the Bank (which expression shall also include a Committee thereof) be and is hereby authorised to take such steps as may be necessary including the delegation of all or any of its powers herein conferred to MD&CEO, the Company Secretary/Asst. Company Secretary or any other Officer(s) of the Bank severally for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Bank and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution.”

## **Item No. 2**

### **Alteration of the Capital Clause in the Memorandum of Association of the Bank**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

“RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Clause 5 of the Memorandum of Association of the Bank be and is hereby amended and substituted with the following new Clause viz.,

The Authorised Share Capital of the Bank is ₹ 200,00,00,000/- (Rupees Two hundred Crore only) divided into 100,00,00,000 (One Hundred Crore only) equity shares of ₹ 2/- each with power to increase, reduce or modify the said Capital from time to time.”

“RESOLVED FURTHER that the Board of Directors of the Bank (which expression shall also include a Committee thereof) be and is hereby authorised to take such steps as may be necessary including the delegation of all or any of its powers herein conferred to MD&CEO, the Company Secretary/Asst. Company Secretary or any other Officer(s) of the Bank severally for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters

arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Bank and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution.”

**Item No. 3**

**Alteration in the Articles of Association of the Bank**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

“RESOLVED THAT pursuant to the provisions of Section 14 and applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Article 3 and Article 25 of the Articles of Association of the Bank be and are hereby amended and substituted by the following new Articles.

**ARTICLE 3:**

3. The Authorised Capital of the Bank shall be as stated in Clause 5 of the Memorandum of Association of the Bank.

**ARTICLE 25 :**

25. The qualification of every director shall be, his/her holding in his/her own name, not less than 2,500 Equity Shares of ₹ 2/- each in the share capital of the Bank.

Provided that nothing in this article shall apply to the Directors appointed by Reserve Bank of India.

Provided further that the Executive Chairman or Managing Director/Chief Executive Officer shall not be required to hold any qualification shares.”

“RESOLVED FURTHER that the Board of Directors of the Bank (which expression shall also include a Committee thereof) be and is hereby authorised to take such steps as may be necessary including the delegation of all or any of its powers herein conferred to MD&CEO, the Company Secretary/Asst. Company Secretary or any other Officer(s) of the Bank severally for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Bank and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution.”

By Order of the Board

For **The Karur Vysya Bank Limited**

**Srinivasa Rao M**

Asst. Company Secretary

Place : Karur

Date : 19.09.2016

**Notes:**

1. Explanatory Statement as required under Section 102 of the Companies Act, 2013 is annexed to this Notice. A Postal Ballot Form is also enclosed.
2. Pursuant to the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015 (“Rules”), the assent or dissent of the Members in respect of the resolutions contained in this Postal Ballot Notice, is being determined through postal ballot process which includes voting by electronic means (E-Voting).

3. For the purpose of voting, the Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members /List of Beneficial Owners as received from the Depositories as on Monday, September 19, 2016 i.e., “the cut-off date”. The Postal Ballot Notice is being sent to Members in electronic form to the email addresses registered with their Depository Participants (in case of shares held in electronic mode) / M/s SKDC Consultants Limited, Coimbatore (in case of physical shareholding). For those shareholders whose email IDs are not registered, physical copies of the Postal Ballot Notice, Postal Ballot Form and a postage prepaid self-addressed Business Reply Envelope are being sent by permitted mode.
4. A Member may request for a duplicate Postal Ballot Form, if so required. All such requests should be addressed to the Bank’s Registrar and Share Transfer Agent of the Bank M/s S.K.D.C. Consultants Limited, (Unit: KVB Ltd), Kanapathy Towers, 1391/A-1, Third Floor, Sathy Road, Ganapathy, Coimbatore - 641006, Phone Nos. 0422-6549995, 2539835-836, Email: info@skdc-consultants.com.
5. Resolutions passed by the Members through postal ballot process are deemed to have been passed as if they have been passed at a General Meeting of the Members.
6. In compliance with Section 108 of the Companies Act, 2013 and the Rules made thereunder, the Bank has provided the facility to the Members to exercise their votes electronically and vote on all the resolutions through the e-voting service facility arranged by NSDL. The instructions for electronic voting are annexed to this Notice.
7. The date of declaration of results of the postal ballot, i.e., on or before Friday, October 28, 2016 shall be the date on which the resolutions would be deemed to have been passed, if approved by the requisite majority.
8. All the material documents referred to in the statement pursuant to Section 102 of the Companies Act, 2013 and rules related thereto will be available for inspection at the Registered Office of the Bank during office hours on all working days from the date of dispatch of the Notice till Wednesday, October 26, 2016.
9. The Notice of Postal Ballot along with the Postal Ballot Form will also be available on the website of the Bank [www.kvb.co.in](http://www.kvb.co.in).
10. The Members can opt for only one mode of voting, i.e., either by Postal Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Postal Ballot Forms will be treated as invalid.

#### **E-Voting:**

The procedure for the E-Voting is as under:

- (i) In case a Member receives an email from NSDL (for members whose email IDs are registered with the Bank / Depository Participants):
  1. Open email and open PDF file viz., “KVBe-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
  2. Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
  3. Click on Shareholder – Login.
  4. Put user ID and password as initial password noted in step (1) above. Click Login.
  5. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



6. Home page of e-voting opens. Click on e-voting:Active Voting Cycles.
  7. Select “EVEN” of “The Karur Vysya Bank Limited”.
  8. Now you are ready for e-voting as Cast Vote page opens.
  9. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
  10. Upon confirmation, the message “Vote cast successfully” will be displayed.
  11. Once you have voted on the resolution, you will not be allowed to modify your vote.
  12. Institutional shareholders (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 authorised signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to solaiofficeballot@gmail.com with a copy marked to evoting@nsdl.co.in.
- (ii) In case a Member received physical copy of the Notice of Postal Ballot (for members whose email IDs are not registered with the Bank/Depository Participants or requesting physical copy):
- a) Initial password is provided as below/at the bottom of the Postal Ballot Form  
**EVEN (Remote E-Voting Event Number) USER ID PASSWORD/PIN**
  - b) Please follow all steps from SI No.(2) to SI.No.(12) above, to cast vote.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.1800-222-990.

Any queries or grievance connected with the E-voting can be addressed to Mr. Rajiv Ranjan, Asst. Manager, NSDL, 4<sup>th</sup> Floor, ‘A’ Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013, Ph: 022-24994738, Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.

You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Bank as on the cut-off date i.e., Monday, September 19, 2016.

The e-voting period commences on Tuesday, September 27, 2016 (10:00 a.m.) and ends on Wednesday, October 26, 2016 (05:00 p.m.). The e-voting module shall be disabled by NSDL for voting thereafter.

A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of e-voting as well as physical postal ballot form.

For any queries/grievances, in relation to voting through Post or electronic means, Members may contact Registrar and Share Transfer Agent (RTA) of the Bank M/s S.K.D.C. Consultants Limited, (Unit: KVB Ltd), Kanapathy Towers, 1391/A-1, Third Floor, Sathy Road, Ganapathy, Coimbatore - 641006, Phone Nos. 0422-6549995, 2539835-836, Email: [info@skdc-consultants.com](mailto:info@skdc-consultants.com)

## **Explanatory Statement (Pursuant to Section 102 of the Companies Act, 2013)**

Item Nos.1, 2 and 3:

The Equity Shares of the Bank are listed in National Stock Exchange of India Limited (NSE) and actively traded on NSE. The Equity Shares of the Bank are also traded on BSE Ltd under permitted category. In order to improve the liquidity of the Bank's shares in the stock market and with a view to encourage the participation of small investors by making the Equity Shares of the Bank affordable, the Board of Directors at their meeting held on 19<sup>th</sup> September 2016 have considered and approved sub-division of One Equity Share of ₹ 10/- each face value of the Bank into 5 Equity Shares of ₹ 2/- each face value, subject to the approval of the members of the Bank and any other statutory and regulatory approvals, as applicable. The Board of Directors of the Bank or Committee of Directors duly authorised by the Board of Directors will fix a Record Date for this purpose after obtaining the approval of the members through Postal Ballot process.

The sub-division of equity shares requires consequential amendments to the existing Capital Clause in the Memorandum and Articles of Association of the Bank.

The sub-division of Equity shares would require proportionate conversion of balance options available under KVB ESOS 2011 scheme.

The existing capital structure of the Bank is as detailed below:

The Authorised Capital of the Bank is ₹ 200 Cr divided into 20,00,00,000 equity shares of ₹ 10/- each fully paid up. Issued Capital of the Bank is ₹ 121,94,52,570/- consists of 12,19,45,257 shares of ₹ 10/- each fully paid up and the subscribed and paid up capital is ₹ 121,86,44,540 consists of 12,18,64,454 shares of ₹ 10/- each fully paid up.

The existing Article 25 of the Articles of Association of the Bank provides for holding of 500 shares of ₹ 10/- each face value as qualification shares in respect of the Directors of the Bank except the Executive Chairman, Managing Director/ Chief Executive Officer and the Directors appointed by Reserve Bank of India. The total nominal value of the said qualification shares amounts to ₹ 5,000/-, since the present face value is ₹ 10/- each. Consequent to the amendment in the face value of shares from ₹ 10/- each to ₹ 2/- each, it has been proposed to change the number of qualification shares from 500 shares of ₹ 10/- each face value to 2,500 shares of ₹ 2/- each face value, so as to maintain the total nominal value of qualification shares at ₹ 5,000/- itself.

Hence your Board of Directors proposes resolutions as set out in Item Nos.1, 2 and 3.

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

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolutions except to the extent of their shareholdings in the Bank.

A copy of the Memorandum and Articles of Association of the Bank along with the proposed amendments shall be open for inspection at the Registered Office of the Bank during 11.00 a.m to 1.00 p.m. on all working days upto the date of declaration of the results of the Postal Ballot.

By Order of the Board  
For **The Karur Vysya Bank Limited**  
**Srinivasa Rao M**  
Asst. Company Secretary

Place : Karur  
Date : 19.09.2016