



Karnataka Bank Ltd.

Your Family Bank, Across India



Regd. & Head Office
Post Box. No.599, Mahaveera Circle
Kankanady
Mangaluru – 575 002

Phone : 0824-2228248
E-Mail : investor.grievance@ktkbank.com
Website : www.karnatakabank.com
CIN : L85110KA1924PLC001128

SECRETARIAL DEPARTMENT

23.09.2023

HO/SEC/169/2023-24

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400051
Script Code: **KTKBANK**

The General Manager
BSE Limited
Corporate Relationship Dept.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400001
Script Code: **532652**

Madam / Dear Sir,

Sub: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") - Notice of Postal Ballot

Further to our intimation dated September 22, 2023 under Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), regarding Outcome of the meeting of the Board of Directors of the Karnataka Bank Limited ("Bank"), and in terms of Regulations 30 and 44 and other applicable provisions of the SEBI Listing Regulations, we submit herewith a copy of the Postal Ballot Notice dated September 22, 2023 together with the Explanatory Statement (Postal Ballot Notice), seeking approval of the Members of the Karnataka Bank Limited, on the Special Business stated below and as contained in the Postal Ballot Notice, by passing the resolution through Postal Ballot (only by means of remote e-voting process), pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and General Circular Nos. 14/2020 dated April 08, 2020 and 17/2020 dated April 13, 2020 read with other relevant circulars, including General Circular No. 11/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs, Government of India ("MCA Circulars"), Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India any other applicable law, rules, and regulations.

Sl. No.	Particulars	Type of Resolution
1.	To Issue, Offer and Allot Equity Shares on Preferential Basis	Special Resolution

The Postal Ballot Notice is being sent only by e-mail to all the Members whose names appear in the Register of Members / Register of Beneficial Owners maintained by the Depositories viz. National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and whose email address is registered with the Depositories, Bank and /or Bank's RTA; Integrated Registry Management Services Private Limited ("RTA") as on Friday, September 15, 2023 (cut-off date). The Postal Ballot Notice is uploaded on the Bank's website at: <https://karnatakabank.com/investor-portal/annual-report>

In accordance with the MCA Circulars, the Bank has made necessary arrangements to enable the eligible Members who have not registered their e-mail address, to register the same so as to receive the Postal Ballot Notice and the procedure for remote e-voting along with the login ID and password related details. The procedure for registration of e-mail address by such Members and the instructions for remote e-voting are set out in Note 08 of the Postal Ballot Notice. As per the provisions of the MCA Circulars, the manner of voting on the proposed resolution is restricted only to remote e-voting. The Bank has engaged services of CDSL for facilitating remote e-voting to enable the Members to cast their votes electronically. The remote e-voting on the resolution set out in the Notice of Postal Ballot shall commence on Monday, September, 25, 2023 at 09.00 AM (IST) and shall end on Tuesday, October 24, 2023 at 05.00 PM (IST). The Postal Ballot Notice is uploaded on the website of CDSL at: <https://www.evotingindia.com>

The Bank shall commence dispatch (by electronic means) of the Postal Ballot Notice to the Members from today i.e., September 23, 2023.

The results of the Postal Ballot will be announced within two (2) working days from the conclusion of remote e-voting i.e., on or before Thursday, October 26, 2023. The results of the remote e-voting and the Scrutinizer's Report will be placed on the Bank's website at: <https://karnatakabank.com/investor-portal/annual-report> and on the website of CDSL at <https://www.evotingindia.com/> and will also be communicated to the Stock Exchanges.

We request you to take the aforesaid information on record and arrange for dissemination.

Yours faithfully,

Sham K.
Company Secretary & Compliance Officer



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NOTICE OF POSTAL BALLOT

Pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014

Dear Member(s),

NOTICE is hereby given to the shareholders ('Members') of Karnataka Bank Limited (the 'Bank' or 'Karnataka Bank'), pursuant to provisions of Section 108, 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), as amended, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the "Rules") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India ("ICSI") and in accordance with the guidelines prescribed by Ministry of Corporate Affairs ("MCA") vide its General Circular No. 10/2022 and 11/2022 dated December 28, 2022 and all the connected circulars mentioned therein read with SEBI Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, to transact the special businesses through Postal Ballot through electronic means ("**remote e-voting**") only, as set out below.

Members desiring to exercise their vote through e-voting are requested to carefully read the instructions indicated in this Notice of Postal Ballot (hereinafter referred to as "**Notice**") and record their assent (FOR) or dissent (AGAINST) by following the procedure as stated in the Notes forming part of the Notice for casting of votes by e-voting not later than 5.00 PM (IST) **on Tuesday, October 24, 2023**. The e-voting facility will be disabled by CDSL immediately thereafter.

An Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013, setting out all material facts relating to the resolution mentioned in this Notice of Postal Ballot is annexed hereto.

SPECIAL BUSINESS:

1. TO ISSUE, OFFER AND ALLOT EQUITY SHARES ON A PREFERENTIAL BASIS

To approve the offer or invitation to subscribe to equity shares by way of preferential allotment on a private placement basis, and in this regard, to consider and if thought fit, to pass, the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 23(1)(b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 as amended (the **“Companies Act”**), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, each as amended, and other relevant rules made thereunder (including any amendment(s), statutory modification(s) or re-enactment thereof), in accordance with the guidelines, rules and regulations of the Securities and Exchange Board of India (**“SEBI”**), including the Securities and Exchange Board India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the **“SEBI ICDR Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **“SEBI LODR Regulations”**), as amended, the Banking Regulation Act, 1949 and any other rules, circulars, directions and guidelines issued by the Reserve Bank of India (**“RBI”**), any rules, regulations and guidelines of the National Stock Exchange of India Limited and BSE Limited (the **“Stock Exchanges”**), the provisions of Memorandum of Association and Articles of Association of the Karnataka Bank Limited (**“the Bank”**), any other rules, regulations, guidelines, notifications, circulars and clarifications issued by the Ministry of Corporate Affairs, Government of India, SEBI, Stock Exchange(s) and subject to such other approvals, permissions, sanctions and consents, as may be necessary and on such terms and conditions (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated while granting such approvals, permissions, sanctions and consents) by any regulatory authorities and which may be accepted by the Board of Directors of the Bank (hereinafter referred to as **“Board”** which term shall be deemed to include any duly constituted / to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution), the consent of the shareholders of the Bank be and is hereby accorded to the Board, to create, issue, offer and allot up to **3,34,00,132 (Three crore thirty-four lakhs one hundred thirty-two** equity shares of face value of INR 10/- each (the **“Equity Shares”**), fully paid-up, on a preferential basis (such issue of Equity Shares by the Bank, the **“Preferential Issue”**), at the issue price of INR **239.52** per Equity Share (including share premium) aggregating up to INR **800,00,00,000 (Rupees Eight hundred crore only)** determined in accordance with the relevant provisions of Chapter V of SEBI ICDR Regulations, in such manner and on such other terms and conditions, as may be approved or finalized by the Board to the following investors, each a qualified institutional buyer in terms of the SEBI ICDR Regulations (the **“Proposed Allottee(s)”**), as detailed herein below:

S. No.	Name of the Proposed Allottee(s)	Category	Number of Equity Shares to be Allotted	Total Consideration (INR)
1.	Quant Mutual Fund*	Non-Promoter	73,06,279	1,74,99,99,946.08
2.	Bajaj Allianz Life Insurance Company Limited	Non-Promoter	83,50,033	1,99,99,99,904.16
3.	Bajaj Allianz General Insurance Company Limited	Non-Promoter	10,43,754	24,99,99,958.08
4.	HDFC Life Insurance Company Limited	Non-Promoter	1,35,68,804	3,24,99,99,934.08
5.	Bharti Axa Life Insurance Company Limited	Non-Promoter	31,31,262	74,99,99,874.24
Total			3,34,00,132	7,99,99,99,616.64

* Such allottee will subscribe to the Preferential Issue through one or more of its schemes.

RESOLVED FURTHER THAT the “Relevant Date” as stipulated in Regulation 161 of the SEBI ICDR Regulations, for determining the price of the Equity Shares being allotted in the Preferential Issue, in accordance with Regulation 164 of the SEBI ICDR Regulations, will be Friday, September 22, 2023 (Saturday, September 23, 2023 and Sunday, September 24, 2023 being the weekend) being the date which is 30 (thirty) days prior to the last date for remote electronic voting for the postal ballot on which date the resolution, if approved, by the requisite majority through postal ballot will be deemed to be passed, i.e. Tuesday, 24th October, 2023.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Equity Shares to be created, offered, issued and allotted to the Proposed Allottee(s) in the Preferential Issue in terms of this resolution shall be subject to applicable laws as well as the Memorandum of Association and Articles of Association of the Bank and shall be made fully paid-up at the time of allotment and shall rank *pari-passu* with the existing Equity Shares of the Bank in all respects including with respect to dividends, voting powers and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Bank and the same shall be subject to lock-in requirements in accordance with the provisions of Chapter V of the SEBI ICDR Regulations and any other applicable law for the time being in force.

RESOLVED FURTHER THAT the price determined shall be subject to appropriate adjustments, if in any case required, as permitted under the rules, regulations, and laws, as applicable from time to time.

RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted by the Bank to the Proposed Allottee(s) in the Preferential Issue in dematerialized form within a period of 15 (fifteen) days from the date of receipt of approval of the shareholders of the Bank, provided that, where the issue and allotment of the said Equity Shares is pending on account of pendency of any approval by any regulatory authority or statutory authority (including, but not limited to the RBI, the Stock Exchanges and/or the SEBI) or the Government of India, the issue and allotment shall be completed within a period of 15 (fifteen) days from the date of receipt of the last such approvals or such other extended period as may be permitted in accordance with SEBI ICDR Regulations, as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares to be issued to the Proposed Allottee(s) in the Preferential Issue shall be listed on the Stock Exchanges where the existing Equity Shares of the Bank are listed.

RESOLVED FURTHER THAT the monies received by the Bank from the Proposed Allottee(s) for application of the Equity Shares pursuant to the Preferential Issue shall be kept by the Bank in a separate account opened/designated by the Bank for this purpose and shall be utilized by the Bank in accordance with the provisions of the Companies Act.

RESOLVED FURTHER THAT subject to the SEBI ICDR Regulations and other applicable laws, Managing Director & CEO, Executive Director and Company Secretary be and are hereby severally authorized to decide, approve, vary, modify and alter the terms and conditions of the issue of the Equity Shares, as it may, in its sole and absolute discretion deem fit within the scope of this approval of shareholders and expedient and to make an offer to the Allottees through private placement offer cum application letter (in Form PAS-4 as prescribed under the Companies Act), without being required to seek any further consent or approval of the shareholders.

RESOLVED FURTHER THAT pursuant to the provisions of the Companies Act, complete record of private placement offers be recorded in Form PAS-5 for the issue of invitation to subscribe to the Shares.

RESOLVED FURTHER THAT without prejudice to the generality of the above resolution, the issue of the Equity Shares to the Proposed Allottee(s) in the Preferential Issue shall *inter-alia* be subject to the following terms and conditions in addition to the terms and conditions contained in the explanatory statement under section 102 of the Companies Act annexed hereto, which shall be deemed to form part hereof:

1. The Proposed Allottees of Equity Shares shall be required to bring in the entire consideration, on or before the date of allotment thereof;
2. The Equity Shares so offered, issued and allotted to the Proposed Allottees, shall be issued by the Company for cash consideration;
3. The consideration for allotment of Equity Shares shall be paid to the Bank by the Proposed Allottees from their respective bank accounts; and
4. Allotment of Equity Shares shall only be made in dematerialized form.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Managing Director & CEO, Executive Director and Company Secretary be and are hereby severally authorized to take all such actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Equity Shares and listing thereof with the Stock Exchange(s) as appropriate including making necessary filings with the Stock Exchange(s) for obtaining in-principle approval, filing of requisite documents with the Registrar of Companies, Depositories, RBI, SEBI and/or such other authorities as may be necessary for the purpose, to decide and approve the other terms and conditions of the Preferential Issue of the aforesaid Equity Shares, to vary, modify or alter any of the terms and conditions, subject to the provisions of the Companies Act, the SEBI ICDR Regulations and/or any other laws and regulations, and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment, utilization of issue proceeds, without being required to seek any further consent or approval of the shareholders of the Bank or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT Managing Director & CEO, Executive Director and Company Secretary be and are hereby severally authorized to take all such actions to give effect to the aforesaid resolution including making necessary filings with the Stock Exchange(s) for obtaining in-principle approval and other statutory or regulatory authorities execution of any documents, instruments, agreements on behalf of the Bank and to represent the Bank before any governmental, legal or statutory or regulatory authorities and to appoint any professional advisors, bankers, consultants, advocates and advisors to give effect to this resolution and further to take all other steps and actions which may be incidental, consequential, relevant or ancillary in this condition to further comply with the requirements, if any, of applicable law including the Companies Act, 2013, the SEBI ICDR Regulations and the SEBI LODR Regulations.

RESOLVED FURTHER THAT Managing Director & CEO, Executive Director and Company Secretary be and are hereby severally authorized to certify the true copy of the aforesaid resolution and forward the same to the Stock Exchange(s) and/or other concerned authorities for their record and necessary action.”

By Order of the Board of Directors

Date: September 22, 2023

Place: Bengaluru

Registered Office:

Mahaveera Circle

Kankanady, Mangaluru – 575002

Karnataka

Sd/-

Sham K

Company Secretary

Notes:

1. Postal Ballot pursuant to Section 102 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014, and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India, setting out material facts and the reasons for the proposed Special Resolution, under Special Business as set out above, forms part of the Notice.
2. Pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules, Bank has an option for the above-mentioned resolution, to seek the approval of the Members through e-voting, instead of getting the same passed at a General Meeting. Accordingly, approval of the members is sought for the resolution contained in this Notice through e-voting.
3. The Board of Directors of the Bank has appointed C S. Pramod S M, (membership number 7834, COP number 13784) Partner of M/s. BMP & Co. LLP or failing him Mr. Biswajit Ghosh, (membership number 8750, COP number 8239) Partner M/s. BMP & Co. LLP, Company Secretaries, as Scrutinizer, for conducting the Postal Ballot (e-voting) process in a fair and transparent manner and to issue the Scrutinizer's Report on voting results Voting rights shall be reckoned on the paid-up value of equity shares registered in the name of the Member/Beneficial Owner (in case of electronic shareholding) as at close of business hours on the cut-off date i.e., **Friday, September 15, 2023 ("Cut-off Date")**. Members whose names appear on the Register of Members/ list of Beneficial Owners as on cut-off date will be considered for the purpose of e-voting. A person who is not a Member on the cut-off date should treat this notice for information purpose only.
4. As per the extant provisions of the Act, read with Rules made thereunder and General Circular nos. 03/2022 dated May 05, 2022 and all the connected circulars mentioned therein issued by the Ministry of Corporate Affairs read with SEBI Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, the Postal Ballot Notice is being sent only by e-mail to those Members whose e-mail addresses are registered with the Company/Depositories and whose names appear in the Register of Members of the Company or Register of Beneficial Owners maintained by the Depositories as on **Friday, September 15, 2023 ("Cut-off Date")**. The hard copy of this notice along with postal ballot forms and pre-paid business envelope will not be sent to the members. Accordingly, the communication of the assent or dissent of the members would take place through e-voting only, which may please be noted.
5. In compliance with Sections 108 and 110 of the Companies Act, 2013 and the Rules made thereunder and Regulation 44 of SEBI LODR Regulations, the Bank has provided the facility to all the Members to exercise their votes electronically and for this purpose, the Bank has engaged Central Depository Services (India) Limited ("CDSL") as the authorized agency for facilitating voting through electronic means. The procedure for e-voting is explained under the Notes provided with this Notice.
6. Members may please note that the Notice is being hosted on our Bank's website at www.karnatakabank.com under Investor Portal Section and also on the websites of the Stock Exchanges i.e. BSE Limited (BSE) at www.bseindia.com and National Stock Exchange of India Limited (NSE) at www.nseindia.com . The relevant details are also hosted on the website of the e-voting service provider viz. CDSL at www.cdslindia.com
7. Members who have not registered their e-mail addresses are requested to register the same with the Depository through their Depository Participant(s) in respect of shares held in electronic form and in respect of shares held in physical form, by writing to the Bank's Registrar & Share Transfer Agent, Integrated Registry Management Services Pvt. Ltd., #30, Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bengaluru-560003 (Tel No.: 080-23460815/6/7) email id: irg@integratedindia.in
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, mobile/ phone numbers, PAN, mandates, nominations and bank details, etc., to their DPs in case shares are held by them in electronic form and to Integrated Registry Management Services Private Limited, the Registered Transfer Agents ("RTA") of the Company, in case shares are held by them in physical form. The Bank has made temporary arrangements for registration of e-mail addresses for the members whose e-mail addresses are not registered with the Depositories or with RTA. For detailed information in relation to temporary e-mail registration and e-voting, Notes to e-voting instruction provided in Postal Ballot Notice may be referred to. The members can access the said facility by visiting the link <https://www.integratedindia.in/emailupdtion.aspx> and

follow the process mentioned therein.

9. The e-voting period commences from 9.00 AM (IST) on **Monday, September 25, 2023** and ends at 5.00 PM (IST) on **Tuesday, October 24, 2023**.
10. Members desiring to exercise their votes should cast their votes during this period, to be eligible for being considered. The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall forthwith be disabled by CDSL upon expiry of the aforesaid period and voting shall not be allowed beyond the said date and time.
11. A Member cannot exercise his vote by proxy on Postal Ballot. Further, in case of joint holders, a member whose name appears as the first holder in the order of their names as per the Register of Members will be entitled to cast vote.
12. All the material documents referred to in the explanatory statement will be available for inspection electronically until the last date for receipt of votes through the e-voting process. Members seeking to inspect such documents can send an email to investor.grievance@ktkbank.com
13. Members desiring to exercise their vote through the e-voting process are requested to read the instructions in the Notes given carefully in this Postal Ballot Notice.
14. The Scrutinizer will submit his report to the Chairman or he may delegate the same to the Managing Director & CEO or to the Executive Director of the Bank duly authorised after the completion of scrutiny and the result of the voting by postal ballot through the e-voting process will be announced on or before Thursday, October 26, 2023 and will also be displayed on the website of the Bank, besides being communicated to the Stock Exchanges viz. BSE and NSE, and Depositories. The Scrutinizer's decision on the validity of e-voting will be final.
15. Resolutions passed by the members through postal ballot are deemed to have been passed on the last date of voting i.e., **October 24, 2023** as if they have been passed at a General Meeting of the members.

EXPLANATORY STATEMENT PURSUANT TO SECTIONS 102 AND 110 OF THE COMPANIES ACT, 2013 AND SECRETARIAL STANDARD-2 ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

1. To Issue, Offer and Allot Equity Shares on preferential basis

The present Authorized Capital of the Karnataka Bank Limited (the “Company” or the “Bank”) is INR 6,00,00,00,000 (Rupees six hundred crores only) and the Paid-up Capital of the Bank as on September 22, 2023, is INR 3,12,74,20,060 divided into 31,27,42,006 equity shares of INR 10/- (Rupees ten) each excluding the allotment of 1,14,821 equity shares on September 22, 2023 by way exercise of the vested stock options by the employees under ESOP Scheme of the Bank. The Bank is subject to regulations relating to capital adequacy, which determines the minimum amount of capital that must be maintained as a percentage of the risk-weighted assets, or capital-to-risk asset ratio (“**CRAR**”). The provisions of RBI Master Circular on Basel III Capital Regulations dated July 1, 2015, as amended (“**RBI Basel III Capital Regulations**”) are applicable to the Bank, which require, among other things, higher levels of Tier I capital and common equity, capital conservation buffers, maintenance of a minimum prescribed leverage ratio on a quarterly basis, higher deductions from common equity and Tier I capital for investments in subsidiaries and changes in the structure of non-equity instruments eligible for inclusion in Tier I capital. The RBI Basel III Capital Regulations also set out elements of regulatory capital and the scope of the capital adequacy framework, including disclosure requirements of components of capital and risk coverage. The scope of capital adequacy has widened on account of the proposed migration to a new standardized approach by the Bank for computation of operational risk capital and introduction of additional risks by the Bank under pillar 2 assessment such as Interest Rate Risk in the Banking Book, ESG, group risk etc.

The Bank has been maintaining CRAR under the Basel III standards at a level much above the regulatory minimum requirement of 11.50%, which was at 17.45% as on 31.03.2023 and 17.00% on June 30, 2023.

The Bank is undertaking an issue and allotment of certain equity shares, the proceeds of which will be primarily used to meet the needs of the growing business of the Bank, including long term capital requirements for pursuing growth plans, to increase the capacity of the Bank to lend, and for general corporate purposes.

The details of the issue and other particulars as required in terms of Regulation 163 of the SEBI ICDR Regulations, Section 42 and 62(1)(c) of the Companies Act, 2013 read with Rule 13(2)(d) of Companies (Share Capital and Debentures) Rules, 2014, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, and other applicable statutes in relation to the proposed Special Resolution are given hereunder:

I. Particulars of the preferential issue, kind of securities issued and the amount which the Bank intends to raise by way of such preferential issue

The Board, at its meeting held on September 22, 2023 had, subject to the approval of the shareholders and such other approvals including statutory or regulatory approvals as may be required, approved the preferential issue, involving the issue and allotment of up to 3,34,00,132 (Three crore thirty-four lakhs one hundred thirty-two) Equity Shares, fully paid-up, aggregating up to INR 800,00,00,000 (Rupees Eight hundred crore only) on a preferential basis, at such price which is not less than floor price determined in accordance with the provisions of Chapter V of the SEBI ICDR Regulations, including Regulation 164 of the SEBI ICDR Regulations.

II. Objects of the Preferential Issue

The Bank is undertaking an issue and allotment of Equity Shares through Preference Issue, the proceeds of which will be primarily used to meet the needs of the growing business of the Bank, including long term capital requirements for pursuing growth plans, to increase the capacity of the Bank to lend, and for general corporate purposes.

III. Maximum Number of Specified Securities to be issued

The resolution set out at Item No. [1] in the Notice authorizes the Board to offer, issue and allot, up to 3,34,00,132 (Three crore thirty-four lakhs one hundred thirty-two) Equity Shares at an aggregate consideration of up to INR 800,00,00,000 (Rupees Eight hundred crore only), as per the table specified below:

Sl. No.	Name of the Proposed Allottee(s)	Maximum number of Equity Shares to be issued
1.	Quant Mutual Fund*	73,06,279
2.	Bajaj Allianz Life Insurance Company Limited	83,50,033
3.	Bharti Axa Life Insurance Company Limited	31,31,262
4.	HDFC Life Insurance Company Limited	1,35,68,804
5.	Bajaj Allianz General Insurance Company Limited	10,43,754

* Such allottee will subscribe to the Preferential Issue through one or more of its schemes

IV. Intention of the Promoters, Directors, Key Managerial Personnel or senior management and their relatives to subscribe to the proposed Preferential Issue

None of the Promoters, Directors or Key Managerial Personnel or senior management and their relatives intend to subscribe to any Equity Shares pursuant to the Preferential Issue. The Bank however does not have any identifiable Promoter.

V. Basis on which the price has been arrived

The Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited and the Equity Shares are frequently traded in accordance with the SEBI ICDR Regulations. For the purpose of computation of the price per Equity Share, trading at National Stock Exchange of India Limited (the Stock Exchange which had the highest trading volume in respect of the Equity Shares) has been considered.

All the Proposed Allottees are “Qualified Institutional Buyer” in terms of Regulation 2(ss) of Chapter I of the SEBI ICDR Regulations. The price per share for the present Preferential Issue has been arrived at in accordance with the terms of Regulation 164 of Chapter V of the SEBI ICDR Regulations.

VI. Relevant Date and Issue Price

The Relevant Date as stipulated in Regulation 161 of the SEBI ICDR Regulations, for determining the price of Equity Shares for the purpose of the Preferential Issue in accordance with the Regulation 164 of the SEBI ICDR Regulations, will be September 22, 2023 (Saturday, September 23, 2023 and Sunday September 24, 2023 being the weekend), the date

30 days prior to the date on which the special resolution is passed by the shareholders of the Bank, i.e., **October 24, 2023**.

It is proposed to issue the Equity Shares at an issue price of INR 239.52 per Equity Share, which is not less than the floor price determined in compliance with the provisions of Regulation 164 of SEBI ICDR Regulations and assuming that the Relevant Date will be as stated above, i.e., September 22, 2023

VII. Shareholding Pattern of the Bank before and after the Preferential Issue of Equity Shares:

The shareholding pattern of the Bank giving the position as on September 15, 2023, being the latest practicable date prior to the approval of Board of Directors of the Bank and issuance of notice to the shareholders of the Bank and after assuming the proposed preferential issue of Equity Shares is as follows:

Sl. No.	Category	Pre Preferential Issue Shareholding Structure as on September 15, 2023		Post Preferential Issue Shareholding*	
		No. of Equity Shares	Percentage (%)	No. of Equity Shares	Percentage (%)
A	Promoter Holding				
1	Indian	-	-	-	-
	Individual	-	-	-	-
	Bodies Corporate	-	-	-	-
	Sub-Total	-	-	-	-
2	Foreign promoters	-	-	-	-
	Sub-total (A)	-	-	-	-
B	Non - Promoter Holding				
1	Institutional Investor	9,70,61,207	31.04	13,04,61,339	37.68
2	Non institutional				
	a) Private Corporate	1,28,72,945	4.12	1,28,72,945	3.72
	b) Directors and relative	28,634	0.01	28,634	0.01
	c) Indian public	19,44,98,112	62.19	19,46,12,933	56.20
	d) Other (including NRI)	82,81,108	2.65	82,81,108	2.39
	Sub – total (B)	31,27,42,006	100.00	34,62,56,959	100.00
	Grand Total	31,27,42,006	100.00	34,62,56,959	100.00

*The post-Preferential Issue shareholding includes 1,14,821 equity shares which were allotted by the Management Committee of the Board on September 22, 2023 pursuant to the exercise of the employee stock options.

VIII. Proposed time limit within which the Preferential Issue shall be completed:

In terms of the SEBI ICDR Regulations, the proposed Preferential Issue to Proposed Allottees pursuant to the Special Resolution will be completed within a period of 15 (fifteen) days from the date of passing of resolution as set out at Item No. 1.

Provided that the allotment to any of the Proposed Allottee is subject to receipt of requisite approvals from any statutory or regulatory authority, including the SEBI/RBI, and shall not occur until the last of the approvals from any statutory or regulatory authority required by any Proposed Allottee(s) or the Bank is received.

Provided further that where the allotment to any of the Proposed Allottee is pending on account of pendency of any application for approval or permission by any statutory or regulatory authority, the allotment for all Proposed Allottees would be completed within 15 (fifteen) days from the date of last of such approvals or within such further period as may be prescribed or allowed by the SEBI, the Stock Exchanges or other concerned authorities.

IX. Class or classes of persons to whom the allotment is proposed to be made:

The Preferential Issue, if approved, is proposed to be made to the Proposed Allottees HDFC Life Insurance Company Limited, Bajaj Allianz Life Insurance Company Limited, Quant Mutual Fund (through one or more of its schemes), Bharti AXA Life Insurance Company Limited and Bajaj Allianz General Insurance Company Limited. The Proposed Allottees are neither promoters of the Company as on the date of this notice nor their status will change post Preferential Issue. The Proposed Allottees will continue to be classified as public shareholders pursuant to the proposed issuance.

X. Identity of the Proposed Allottees and the percentage of post Preferential Issue capital that may be held by them:

To meet the object of the issue, the below Proposed Allottees, have shown their intent to subscribe to Equity Shares of the Bank. As a result of the proposed preferential issue of Equity Shares, there will be no change in the control or management of the Bank. None of the Proposed Allottees belong to the promoter or promoter group of the Bank and the Proposed Allottees will continue to remain public shareholders of the Bank after completion of the Preferential Issue.

Name of the Proposed Allottee(s)	Category and status post Preferential Issue	Pre Preferential Issue Shareholding		Proposed No. of Equity Shares to be Allotted	Post Preferential Issue Shareholding	
		Pre-Issue Holding	Percentage of Total Equity Capital (%)		Post-Issue Holding	Percentage of Total Equity Capital (%)
Quant Mutual Fund*	Non-Promoter	77,46,233	2.47	73,06,279	1,50,52,512	4.35
Bajaj Allianz Life Insurance Company Limited	Non-Promoter	11,50,167	0.37	83,50,033	95,00,200	2.74

Name of the Proposed Allottee(s)	Category and status post Preferential Issue	Pre Preferential Issue Shareholding		Proposed No. of Equity Shares to be Allotted	Post Preferential Issue Shareholding	
		Pre-Issue Holding	Percentage of Total Equity Capital (%)		Post-Issue Holding	Percentage of Total Equity Capital (%)
Bharti Axa Life Insurance Company Limited	Non-Promoter	-	-	31,31,262	31,31,262	0.90
HDFC Life Insurance Company Limited	Non-Promoter	-	-	1,35,68,804	1,35,68,804	3.92
Bajaj Allianz General Insurance Company Limited	Non-Promoter	-	-	10,43,754	10,43,754	0.30

* Such allottee will subscribe to the Preferential Issue through one or more of its Schemes

XI. The identity of the natural persons who are ultimate beneficial owners of the Equity Shares proposed to be allotted and/or who ultimately control the Proposed Allottees is as follows:

In terms of Regulation 163(1)(f), this disclosure is not applicable to the Proposed Allottees subscribing to this preferential issue as the Proposed Allottees are insurance companies registered with the Insurance Regulatory and Development Authority of India and a mutual fund registered with SEBI.

XII. Consequential changes in the voting rights and change in management or control

As a result of the proposed preferential issue of Equity Shares, there will be no change in the control or management of the Bank. However, voting rights will change in tandem with the shareholding pattern.

XIII. Lock-in Period:

The Equity Shares to be allotted on a preferential basis to the Proposed Allottees, shall be subject to lock-in for such period, as may be applicable to each Proposed Allottee, in accordance with the provisions of Chapter V of the SEBI ICDR Regulations and any other applicable law for the time being in force.

Further, in terms of Regulation 158(5) of the SEBI ICDR Regulations, the entire pre-Preferential Issue shareholding of the Proposed Allottees, if any, is exempted from the lock-in requirements as set out in Regulation 167(6) of the SEBI ICDR Regulations.

XIV. Re-computation of Issue Price:

Since the Bank's Equity Shares are frequently traded and have been listed on a recognized Stock Exchange for more than 90 trading days prior to the Relevant Date, there is no need for the Bank to re-compute the price of the Equity Shares to be issued and therefore, the Bank is

not required to submit the undertakings specified under the relevant provisions of the SEBI ICDR Regulations.

XV. Valuation for consideration other than cash and the justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

This is not applicable in the present case as the proposed allotment is made only for consideration in cash.

XVI. No. of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

The Bank has not made any preferential allotment during the current financial year 2023-24 till the date of board meeting i.e., September 22, 2023.

XVII. Listing:

The Bank will make an application to the Stock Exchanges at which the existing shares are listed, for listing of the equity shares. Such equity shares, once allotted, shall rank pari-passu with the existing equity shares of the Bank in all respects, including dividend and voting rights.

XVIII. Other Disclosures:

1. A copy of the certificate from M/s. BMP & Co. LLP, Practicing Company Secretaries, Bengaluru, certifying that the Preferential Issue is being made in accordance with the requirements of the SEBI ICDR Regulations, as applicable, will be made available for inspection to the shareholders of the Bank until the last date for receipt of votes through the e-voting process. Shareholders are requested to write to investor.grievance@ktkbank.com for inspection, which shall be made available electronically for inspection to the Members. The said certificate will also be hosted on the webpage of the bank (karnatakabank.com/investor-portal/annual-report)
2. Neither the Bank, nor its Directors or Promoters have been declared as willful defaulters or fraudulent borrowers as defined under the ICDR Regulations. None of its Promoters or Directors is a fugitive economic offender as defined under the ICDR Regulations. However, the Bank does not have any identifiable Promoter.
3. The Bank is in compliance with the conditions for continuous listing of equity shares as specified in the listing agreement with the Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and circulars and notifications issued by the SEBI there under.
4. Given that the Proposed Allottees are insurance companies registered with the Insurance Regulatory and Development Authority of India and a mutual fund registered with SEBI, the requirement for a proposed allottee to not sell the equity shares of the Bank in the 90 (ninety) days preceding the Relevant Date is not applicable in terms of Regulation 158(5) read with Regulation 159(1) of the SEBI ICDR Regulations.

5. The Bank does not have any identifiable promoters. No contribution is being made by the Directors of the Bank either as a part of the Preferential Issue or separately in furtherance of the objects specified herein above.

Pursuant to Section 62(1)(c) of the Companies Act, further equity shares may be issued to persons other than the existing members of the Company as specified in Section 62(1)(a) of the Companies Act, provided that the members of the Company approve the issue of such equity shares by means of a special resolution.

In terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company can make a private placement of its securities under the Companies Act only after the approval of its shareholders by way of a special resolution has been obtained.

Further in terms of Regulations 160 of SEBI ICDR Regulations, a special resolution needs to be passed by shareholders of a listed company prior to issue of specified securities on preferential basis.

The resolution and the terms stated therein and in the explanatory statement hereinabove shall be subject to the guidelines/ regulations issued/ to be issued by the Government of India or the SEBI or the Ministry of Corporate Affairs or any other regulatory/ statutory authorities in that behalf and the Board shall have the absolute authority to modify the terms contained herein or in the said resolution, if required by the aforesaid regulatory/ statutory authorities or in case they do not conform with the SEBI ICDR Regulations including any amendment, modification, variation or re-enactment thereof.

The Board of Directors of the Bank believes that the proposed issue is in the best interest of the Bank and its shareholders and therefore recommends the Special Resolutions as set out in Item No. 1 in the accompanying notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives thereof are in any way financially or otherwise concerned or interested in the passing of this Special Resolution as set out in Item No. 1 of this Notice.

The Board of Directors recommends passing of the Special Resolution as set out in Item No. 1 of this Notice.

Date: September 22, 2023
Place: Bengaluru

Registered Office: Mahaveera Circle,
Kankanady, Mangaluru-575002,
Karnataka

By Order of the Board of Directors

Sd/-
Sham K
Company Secretary

E-Voting process:

Pursuant to above said SEBI Circular, Login method for e-Voting for Individual members holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>i) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi</p> <p>ii) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the E voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e., CDSL/NSDL/KARVY/LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</p> <p>iii) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>iv) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>i) If you are already registered for NSDL IDeAS facility, please visit the e- Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the e-Voting period.</p> <p>ii) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/ SecureWeb/IdeasDirectReg.jsp</p> <p>iii) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the e-Voting period.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e- Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the e-Voting period.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in / evoting@nsdl.com or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Login method for e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.

- The shareholders should log on to the e-voting website www.evotingindia.com
- Click on “Shareholders” module.
- Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company / RTA.
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 company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).

- After entering these details appropriately, click on “SUBMIT” tab.
- Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 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.
- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for The Karnataka Bank Limited on which you choose to vote.
- 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.
- Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- 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.
- Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- 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.
- Additional Facility for Non-Individual Shareholders and Custodians –For Remote Voting only.
 - Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - 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 mailed 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.
- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz. investor.grievance@ktkbank.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to irg@integratedindia.in
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL- 16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to irg@integratedindia.in

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.
