



Karnataka Bank Ltd.

F. No. 1303 (H.O.)

Estd : 1924

CIN : L85110KA1924PLC001128

Regd. & Head Office
P.B. No. 599, Mahaveera Circle
Kankanady, Mangalore – 575 002

Phone : 0824 - 2228222 Fax : 0824-2225588
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18.08.2016

SECRETARIAL DEPARTMENT

HO:SEC:276:2016-17

The Manager
Listing Department
National Stock Exchange Of India
Limited.,
Exchange Plaza,C-1, Block G
Bandra-Kurla Complex,
Bandra (E),
MUMBAI 400 051


The General Manager,
Bombay Stock Exchange Limited
Corporate Relationship Dept
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI 400 001

Dear Sir,

Pursuant to Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule III-Part A of the regulations, we enclose copy of the proceedings of the 92nd Annual General Meeting of the Bank held on 28th July, 2016, for your kind information.

Thank You,

Yours faithfully,


COMPANY SECRETARY

PROCEEDINGS OF THE 92nd ANNUAL GENERAL MEETING OF THE MEMBERS OF THE KARNATAKA BANK LTD (THE BANK/THE COMPANY) HELD ON 28th JULY 2016 AT 11.30 AM AT THE REGISTERED & HEAD OFFICE OF THE BANK, MAHAVEERA CIRCLE, KANKANADY, MANGALURU-575002.

494 members and 15 proxies were present in the meeting.

Details of attendance of Directors:

Messrs	Designation
Ananthakrishna	Chairman
P Jayarama Bhat	Managing Director & CEO
S V Manjunath	Independent Director and Chairman of the Nomination and Remuneration Committee
D Harshendra Kumar	Independent Director and the Chairman of Stakeholders Relationship Committee
Dr H Ramamohan	Independent Director
Ashok Haranahalli	Independent Director
Mrs Usha Ganesh	--do--
Rammohan Rao Belle	--do--
B A Prabhakar	Independent Director and Chairman of the Audit Committee
U R Bhat	Independent Director
Keshav K Desai	--do--

Company Secretary Mr. Y V Balachandra was also present. All the Directors and the Company Secretary were seated with the Chairman of the meeting.

In attendance: Messrs Mahabaleshwara M S, Chief General Manager, Upendra Prabhu N, Dr. Meera L B Aranha, Raghurama, Raghavendra Bhat M, Subhaschandra Puranik, General Managers and Chandrashekar Rao B, General Manager and CFO.

Messrs S S Kamath, Srinivasa Kamath and Parineeth Rau, Partners M/s Kamath & Rau, Chartered Accountants, Mangaluru and Mr. C S Gopalakrishna, Partner M/s Abarna & Ananthan, the Statutory Central Auditors of the Bank and Mr Ullas Kumar Melinamogaru, Prop. M/s Ullas Kumar Melinamogaru & Associates, Secretarial Auditor of the Bank were also present.

In terms of Article 32(a) of the Articles of Association of the Bank, Shri Ananthakrishna, Chairman, presided over the meeting. After ascertaining that necessary quorum was present, he called the meeting to order.

The Chairman welcomed the members and proxy holders/representatives of companies/institutions to the meeting. He informed the members about the sad demise of the former Chairman of the Bank, Shri M S Krishna Bhat on June 10, 2016 and a minute's silence was observed praying eternal peace to the departed soul. Thereafter, with the consent of the

members present, the notice convening the meeting was taken as read. He announced that the Register of Directors and Key Managerial Personnel and their shareholding maintained pursuant to Section 170 of the Companies Act, 2013 was open for inspection by the members till the conclusion of the meeting as per Section 171 of the Companies Act, 2013. The certificate from the auditors dated 20.05.2016 on the implementation of the Karnataka Bank Employees Stock Options Scheme 2006(ESOS 2006) in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999 and the resolutions passed by the members were also placed at the meeting.

Before proceeding further, the Chairman informed that pursuant to Rule 20 of the Companies (Management and Administration) Rules 2014 and in terms of Regulation 44 of the SEBI(Listing Obligations and Disclosure Requirements) Regulation, 2015, remote e-voting facility was provided to the shareholders which opened for voting at 9.00 AM on July 24, 2016 and closed at 5.00 PM on July 27, 2016 in respect of all resolutions to be passed at the meeting. With a view to enable the members present at this meeting who have not voted under remote e-voting facility, he declared that Poll has been ordered and informed that arrangements are made to vote physically by ballot. Further he declared that he has appointed Mr. M V Shanker Bhat, Advocate, Rambhavan Complex, Kodialbail, Mangaluru -575003, to scrutinize the poll process in a fair and transparent manner and that arrangements have been made to vote using the Ballot papers. Thereafter four empty Ballot boxes were sealed in the presence of the members and the procedure for Poll was explained to them. Members and proxy holders were requested to collect their Ballot Forms and to drop the duly completed Ballot papers into these Ballot boxes placed outside the meeting hall

Chairman further informed that the results of voting in respect of resolutions placed before this meeting would be declared after the polling process was over and after the receipt and consideration of a consolidated report on the voting from the scrutinizer.

The Chairman requested Mr P Jayarama Bhat, MD & CEO to read out his statement on the performance of the Bank for the year ended March 31, 2016 and also to unveil the future plans. Thereafter, Mr P Jayarama Bhat read out his statement briefly covering the global economic conditions, macro economic situation in India, problems faced by the banks in India etc. He also briefed about the performance of the Bank during the year ended March 31, 2016 and informed that amidst the challenging business environment, the Bank was able to report net profit of ₹415.29 crore and the corporate goal set for the financial year 2016-17 wherein the Bank is projecting to achieve a business turnover of ₹96,000 crore.

The Chairman thereupon took up the items of business to be transacted at the meeting one by one.

Item No.1 set out in the notice convening the meeting was taken up for consideration. At the instance of Chairman, Shri P Jayarama Bhat, the Managing Director read out the Auditors' Report to the members on the Annual Accounts of the Bank. Thereafter the following queries in relation to Annual Accounts- 2015-16 raised by the members were replied/clarified by Mr P Jayarama Bhat and the Chairman.

Mr. Jayananda Devadiga (Client ID IN30021413274284) wanted to know the reason why the Bank has not fully provided the shortfall in respect of assets sold to Securitization/Reconstruction Companies in the year of sale itself, it was clarified that in

accordance with extant guidelines of Reserve Bank of India, such shortfall can be spread over eight quarters and that the Bank has charged ₹16.36 crore to the profit and loss account for the year ended March 31, 2016 and the balance carried over as at March 31, 2016 was ₹58.72 crore. He further stated that the shareholders are waiting for many years for Rights issue to which it was clarified that the Bank would take a decision in this regard at an appropriate time.

Mr. Udipi Govindaraya Acharya (Client ID. IN30177412063384) drew the attention to the challenges faced by the Indian banking industry in the previous financial year and stated that under the subdued growth environment, the business growth, increase in operating profit etc., of the Bank is considered as satisfactory, but opined that appropriate strategy be pursued to contain NPAs and improve productivity etc., resulting in strengthening the balance sheet which should ultimately result in better price for the shares of the Bank which is presently quoting below the book/adjusted book value per share of the Bank.

Mr. G B Suresh (Ledger Folio No.54641) requested that gold loans extended by the Bank should be competitively priced and wanted a separate communication to the shareholders during recruitment exercise by the Bank to which it was clarified that interest subvention facility on loans extended to agriculturist including agri. Gold loan is available in our Bank also and therefore the rate of interest on loans taken on the security of gold for agriculture purpose is competitive in the market. Regarding the recruitment, it was informed that the advertisement for recruitment would be published in leading newspapers and also posted in the website of the Bank for the information of the public so that eligible candidates including the family members of shareholders could apply.

Mr. Sanjeev Desai (Ledger Folio No. 45064) sought to know the role of Branch heads in selection of premises for ATMs to which it was clarified that the Bank that even though branch heads are involved in the process of identifying the premises for ATMs, final decisions are taken at Head Office independently on the recommendations of Regional Offices and there is no scope for any irregular practices in this area.

Other shareholder viz Dr S Ravindranath Bhandari (Client ID IN30009511085949) and Mr. Sadashiva M (Client ID. IN30192630149308) also complemented the Board for the performance of the Bank during the year ended March 31, 2016 under difficult business environment.

Thereafter Mr. Sanjeev Desai (Ledger Folio No. 45064) a shareholder proposed the following motion which was seconded by Mr. Jayananda Devadiga (Client ID IN30021413274284) another shareholder.

“Resolved that the Directors report dated June 21, 2016 and the audited financial statements comprising of the Balance Sheet as at March 31st, 2016 and the Profit and Loss account and the Cash Flow Statement for the year ended on that date, along with the auditors report thereon dated May 20, 2016 be and are hereby received, considered and adopted”.

In view of the Remote e-voting facility having been provided to the shareholders, for those members who have not voted under Remote e-voting, the motion was put to vote by Poll. The results of voting as per the consolidated report (remote e-voting and Poll) received from the scrutinizer were as under:

Votes cast in favour of the resolution: 53910562
Votes cast against the resolution : 249484

Since votes cast in favour of the resolution was more than the votes cast against the resolution, the Chairman declared that the resolution was approved by majority and was passed as an ORDINARY RESOLUTION.

Item No.2 set out in the notice convening the meeting was taken up for consideration. The Chairman informed that the Board of Directors had recommended a dividend @ ₹5 per share on the paid up capital of the Bank for the year ended March 31, 2016 for declaration at this meeting.

Mr. Rajaram Madi K, a shareholder (Client ID: IN30131320498262) proposed the following motion which was seconded by Mr. Narayana S Hegde Kundargi (Ledger Folio No. 52546), another shareholder.

“Resolved that dividend at the rate of 50% on the paid up equity share capital (viz. 188458423 equity shares of ₹10 each) i.e., ₹5/- per share for the financial year ended 31.03.2016 be and is hereby approved and same be paid to those members whose name appear on the register of members/register of beneficial holders as on July 21, 2016 in respect of shares held in electronic form and as on July 28, 2016 in respect of shares held in physical form”.

In view of the Remote e-voting facility having been provided to the shareholders, for those members who have not voted under Remote e-voting, the motion was put to vote by Poll. The results of voting as per the consolidated report (remote e-voting and Poll) received from the scrutinizer were as under:

Votes cast in favour of the resolution: 54518984

Votes cast against the resolution : 200

Since votes cast in favour of the resolution was more than the votes cast against the resolution, the Chairman declared that the resolution was approved by majority and was passed as an ORDINARY RESOLUTION

Item No.3 set out in the notice convening the meeting was taken up for consideration. The Chairman explained that the Board of Directors has proposed the appointment of two audit firms viz, M/s Kamath & Rau, Chartered Accountants, Karangalpady, Mangaluru-575003 and M/s Abarna & Ananthan, Chartered Accountants, # 521, 3rd Main, 6th Block, 2nd Phase, BSK 3rd Stage, Bengaluru - 560085, the retiring statutory central auditors, jointly as Statutory Central Auditors of the Bank to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting as approved by Reserve bank of India pursuant to Section 30(1A) of the Banking Regulation Act, 1949.

The following motion was proposed by Mr. Ravindra Aithal (Client ID IN30214810257778) a shareholder which was seconded by Mr. K V Seetharam (Client ID: IN30214810341938) another shareholder.

Resolved that M/s Kamath & Rau, Chartered Accountants, (Firm Reg. No. 1689S), Karangalpady, Mangaluru-575003 and M/s Abarna & Ananthan, Chartered Accountants,

(Firm Reg. No.000003S), # 521, 3rd Main, 6th Block, 2nd Phase, BSK 3rd Stage, Bengaluru - 560 085 be and are hereby appointed jointly as the Statutory Central Auditors of the Bank to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and the Board of Directors of the Bank be and is hereby authorised to fix their remuneration.

In view of the Remote e-voting facility having been provided to the shareholders, for those members who have not voted under Remote e-voting, the motion was put to vote by Poll. The results of voting as per the consolidated report (remote e-voting and Poll) received from the scrutinizer were as under:

Votes cast in favour of the resolution: 48244993

Votes cast against the resolution : 6211099

Since votes cast in favour of the resolution was more than the votes cast against the resolution, the Chairman declared that the resolution was approved by majority and was passed as an ORDINARY RESOLUTION

Item No.4 set out in the notice convening the meeting was then taken up for consideration. The Chairman informed that that the Board of Directors propose to appoint branch statutory auditors for the audit of such of the branches/offices as are proposed to be appointed by the Statutory Central Auditors of the Bank for the year ending March 31, 2017 in consultation with Statutory Central Auditors and to fix their remuneration.

Dr S Ravindranath Bhandari (Client ID IN30009511085949) , a shareholder proposed the following motion, which was seconded by Mr. Anantharama Rao P (Client Id: IN30023910515803), another shareholder

RESOLVED THAT in terms of Section 143 (8) of the Companies Act, 2013, the Board of Directors be and is hereby authorised to appoint from time to time and in consultation with the Bank's Statutory Central Auditors, one or more persons qualified for appointment as branch auditor/s to audit the accounts for the year ending 31st March, 2017 of such of the branches/ offices of the Bank as are not proposed to be audited by the Bank's Statutory Central Auditors on such remuneration and subject to such terms and conditions as may be fixed by the Board of Directors.

In view of the Remote e-voting facility having been provided to the shareholders, for those members who have not voted under Remote e-voting, the motion was put to vote by Poll. The results of voting as per the consolidated report (remote e-voting and Poll) received from the scrutinizer were as under:

Votes cast in favour of the resolution: 54013632

Votes cast against the resolution : 442460

Since votes cast in favour of the resolution was more than the votes cast against the resolution, the Chairman declared that the resolution was approved by majority and was passed as an ORDINARY RESOLUTION

Item No. 5 set out in the notice convening the meeting was then taken up for consideration. The Chairman informed that the Board of Directors had appointed Mr. U R Bhat, an Investment Advisor , Mumbai as an Additional Director under Section 161 of the Companies Act, 2013 and he holds office upto the date of this Annual General Meeting. A notice has been received from a member of the Bank under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. U R Bhat for the office of Director. Further pursuant to Section 149 read with Schedule IV of the Companies Act, 2013, the Board of Directors having taken into consideration the declaration received from Mr. U R Bhat, is of the view that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Board is of the opinion that he fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under and he is independent of the management. He further added that the resolution seeks members approval for appointment of Mr. U R Bhat, as an Independent Director of the Bank for period upto February 18, 2021.

Mr. Ramachandra Achar B (Ledger Folio No. 427), a shareholder proposed the following motion, which was seconded by Mrs. Amba Manohar Kamath (Client ID. IN30113526535310), another shareholder.

In view of the Remote e-voting facility having been provided to the shareholders, for those members who have not voted under Remote e-voting, the motion was put to vote by Poll. The results of voting as per the consolidated report (remote e-voting and Poll) received from the scrutinizer were as under:

Votes cast in favour of the resolution: 50906938
Votes cast against the resolution : 732246

Since votes cast in favour of the resolution was more than the votes cast against the resolution, the Chairman declared that the resolution was approved by majority and was passed as an ORDINARY RESOLUTION

Item No.6 set out in the notice convening the meeting was then taken up for consideration. The Chairman informed that the Board of Directors had appointed Mr. Keshav K Desai , an Entrepreneur from Hubballi, as an Additional Director under Section 161 of the Companies Act, 2013 and he holds office upto the date of this Annual General Meeting. A notice has been received from a member of the Bank under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Keshav K Desai for the office of Director. Further pursuant to Section 149 read with Schedule IV of the Companies Act, 2013, the Board of Directors having taken into consideration the declaration received from Mr. Keshav K Desai, is of the view that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Board is of the opinion that he fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under and he is independent of the management. He further added that the resolution seeks members approval for appointment of Mr. Keshav K Desai, as an Independent Director of the Bank for period upto February 18, 2021.

Mr. Krishnamoorthy Rao Y (Client Id IN30051314628869), a shareholder proposed the following motion, which was seconded by Mr G B Suresh (Ledger Folio No.54641), another shareholder.

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In view of the Remote e-voting facility having been provided to the shareholders, for those members who have not voted under Remote e-voting, the motion was put to vote by Poll. The results of voting as per the consolidated report (remote e-voting and Poll) received from the scrutinizer were as under:

Votes cast in favour of the resolution: 50969840

Votes cast against the resolution : 669344

Since votes cast in favour of the resolution was more than the votes cast against the resolution, the Chairman declared that the resolution was approved by majority and was passed as an ORDINARY RESOLUTION.

CONSOLIDATED VOTING RESULTS

Item No.	Description of the Resolution	Total Votes cast	E-Voting		Poll		Invalid votes	Total (E-voting & Poll)		Remarks
			FOR	Against	FOR	Against		FOR	Against	
1.	Adoption of the audited financial statements i.e. Balance Sheet and Profit & Loss Account and Cash Flow Statement for the year ended March 31, 2016 and the reports of the Board of Directors and Auditors thereon.	54166606	53332403	249344	578159	140	6560	53910562	249484	Passed with requisite majority as an Ordinary Resolution
2.	Declaration of Dividend @ ₹5 per equity share.	54525744	53940885	0	578099	200	6560	54518984	200	--do--

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Item No.	Description of the Resolution	Total Votes cast	E-Voting		Poll		Invalid votes	Total (Evoting & Poll)		Remarks
			FOR	Against	FOR	Against		FOR	Against	
3.	Appointment of M/s Kamath & Rau (Firm Reg No.001689S) , Chartered Accountants and M/s Abarna & Ananthan(Firm Reg No.000003S) , Chartered Accountants jointly as Statutory Central Auditors of the Bank and fix their remuneration.	54462652	47666694	6211099	578299	0	6560	48244993	6211099	--do--
4.	Appointment of branch statutory auditors and fix their remuneration..	54462652	53436033	441760	577599	700	6560	54013632	442460	--do--
5	Appointment of Mr U R Bhat as an Independent Director of the Bank.	51645744	50328889	731996	578049	250	6560	50906938	732246	--do--
6	Appointment of Mr Keshav K Desai as an Independent Bank.	51645744	50392091	668794	577749	550	6560	50969840	669344	--do--

Chairman thanked all the members and proxy holders for their active participation in the meeting and the meeting was closed at 1.00 PM.


CHAIRMAN 12/8/2016