LAKSHMI VILAS BANK

Secretarial Department

CIN L65110TN1926PLC001377

Ref/Sec/205 & 266/206/2019- 2020

October 01, 2019

The National Stock Exchange of India Limited Listing Department Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. Company symbol: LAKSHVILAS	**BSE Limited** Department of Corporate Services, Floor 25, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001. Security code no: 534690

Dear Sir,

Sub: Press Release

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the press release is enclosed for your information and records.

Thanking you,

For **Lakshmi Vilas Bank Limited**

N Ramanathan
Company Secretary

THE LAKSHMI VILAS BANK LTD. Secretarial Department Corp. Office, Chennai

LAKSHMI VILAS BANK

(**Registered Office:** Salem Main Road, Kathaparai, KARUR – 639 006)
Corporate Office: "LVB House", No.4, Sardar Patel Road, Guindy, Chennai – 600 032.

PUBLIC NOTICE BY LAKSHMI VILAS BANK LTD.

This Notice is being issued in the interest of all the stakeholders of The Lakshmi Vilas Bank Ltd. **('Bank')** and in the interest of general public at large. This is to apprise the general public regarding the recent reports pertaining to the Prompt Corrective Action (PCA) for the Bank initiated by the Reserve Bank of India **(RBI)** and separately, on the complaint filed by Religare Finvest Ltd. registered as a FIR by EOW, New Delhi. Over the last few days, Bank came across various unsubstantiated reports in the media, erroneously conjecturing the PCA action of the RBI to have commenced owing to the FIR registered by EOW. The Bank wishes to clarify that the PCA notice of RBI has no relationship whatsoever and is completely independent of the frivolous EOW complaint and malicious allegations by RFL

At the outset, the Bank states that PCA initiated by RBI vide their letter dated September 27, 2019, is on account of high net NPA, insufficient CRAR etc. in terms of RBI guidelines No. RBI/2016-17/276 DBS.CO.PPD.BC.No.8/11.01.005/201-17 dated April 13, 2017. Banks periodically do undergo such corrective actions by the Regulator.

Separately, the Bank and directors of the Bank have been arrayed as accused in a FIR registered by the EOW, Delhi, based on a false and frivolous complaint filed by RFL on 23 September 2019. In this matter, the Bank unequivocally state that the outstanding amounts due to the Bank from two loans sanctioned to Religare Group of Companies has been appropriated by the Bank against fixed deposits from the same group, by following due process and in compliance with all the applicable norms. The Bank had no role to play in commission of any alleged criminal actions. Further, the directors of the Bank who have been arrayed as parties, exercised no direct or indirect control in relation to the transaction complained of, which transpired in Financial Year 2016-17 and Financial Year 2017-18. The directors are not involved in day to day management of the Bank, which is looked after by the Management led by MD & CEO and therefore the complaint is solely to harass the bank and its directors. Therefore, the Directors of the Bank have been arrayed as accused for no good reason - and the Bank is taking appropriate steps to defend any criminal action.

In this matter it is worthwhile to note that the said FIR is not just registered by RFL against the Bank's directors but also RFL's own personnel and erstwhile promoters including Mr. Malvinder Mohan Singh, Mr. Shivinder Mohan Singh. In fact, the Bank has learnt from reliable sources/media reports that RFL is entangled in various litigations with its shareholders, erstwhile promoters and other group companies on various issues including with respect to recovery of monies which is an outcome of the sanctions and orders passed against the erstwhile promoters and Religare group of companies including RFL, by various authorities. In fact RFL had earlier already filed a civil suit before the Hon'ble Court of Delhi in May 2018, which is pending adjudication. RFL has also filed an interim application in its suit, before the High Court of Delhi seeking certain urgent reliefs in the suit. The said application was heard and is reserved for orders. However, recently RFL made a submission before the Hon'ble Court for withdrawing the said interim application for the reasons best known to them.

The Bank reiterates that the civil suit by RFL followed by a criminal complaint in respect of the same matter relating to the fixed deposits are frivolous and a desperate attempt to malign the Bank and its directors. The Bank is defending the proceedings against it and has narrated the true and correct facts before the respective courts and authorities which are pending adjudication. The Bank wishes to state that mere registration of FIR against the Bank and its directors does not mean anything, at this stage. The Bank clarifies that till date no adverse orders have been passed against the Bank by any judicial forum and no *prima facie* case has been found in favour of RFL's fictitious narration of events. RFL having miserably failed before the court of law in securing orders in its favour, has now ventured into filing a false and frivolous complaint before EOW with the sole intention of blackmailing the Bank and its Directors.

The Bank is committed to co-operate with the investigating agencies and regulatory authorities, in order to bring out the malicious attempts of RFL to mislead the public to cover up massive fraud indulged by their own promoters/ employees/ group companies. The Bank is also initiating appropriate action against RFL, its directors and others for Criminal defamation, malicious prosecution and causing disrepute to the Bank and directors.

Bank is committed to high standard of ethics in its dealings and in order to assuage the panic/fear caused on account of frivolous cases filed by RFL, this notice has been published. The general public, customers and all the stakeholders not to be misled by the frivolous/distorted versions being circulated in the media.

THE LAKSHMI VILAS BANK LTD.,
Karur/Chennai