LAKSHMI VILAS BANK

Secretarial Department CIN: L65110TN1926PLC001377

Ref/Sec/205 & 266/182 /2016-2017 January 7, 2017

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: Disclosure of Material Information to Stock Exchanges

Ref: Intimation regarding penalty imposed by the Reserve Bank of India in exercise of powers conferred under the Banking Regulation Act, 1949.

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In compliance of Clause 2(B) of the Bank's Policy for determining materiality of events read with Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 and considering its materiality, this is to inform that the Reserve Bank of India ("RBI") has imposed penalty amounting to Rs. 3 Crores (Rupees Three Crores Only), in exercise of powers conferred under Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulations Act, 1949 for the contraventions of various guidelines/directions of the RBI in respect of opening of current accounts without obtaining No-objection Certificate (NOC), extending bill discounting facilities to non-constituents and walk-in customers and non-adherence to KYC norms.

This is for your information and records.

Thanking you,

Yours faithfully,

Authorized Signatory

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