



**LAKSHMI VILAS BANK**

Secretarial Department

CIN L65110TN1926PLC001377

Ref/Sec/205 & 266/92/2020-2021

September 27, 2020

<b>The General Manager</b> Department of Corporate Services <b>National Stock Exchange of India</b> Exchange Plaza, C-1-Block G Bandra Kurla Complex, Bandra-E Mumbai - 400 051 Company symbol: LAKSHVILAS	<b>The General Manager</b> Department of Corporate Services <b>BSE Limited</b> Listing Department Phiroze Jeejeeboy Tower Dalal Street, Fort Mumbai - 400 001 Security code no: 534690
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Dear Sir,

**Sub: Press Release dated 27.09.2020**

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended the press release dated 27.09.2020 is enclosed for your information and records.

Thanking you,

For **Lakshmi Vilas Bank Limited**

N Ramanathan  
Company Secretary





Corporate Office, "LVB HOUSE", No.4 Sardar Patel Road, Guindy, Chennai 600 032  
(Registered office: Salem Road, Kathapara, Karur - 639 006)

27<sup>th</sup> September 2020

## Press Release

Certain news items have appeared, expressing concerns about governance of the Bank. Based on voting results of the 93<sup>rd</sup> Annual General Meeting reappointment of 7 directors were not approved. However, the Bank continues to have a fully functional Board of Directors including 3 independent directors.

The Bank's liquidity position as on date is comfortable, with Liquidity Coverage Ratio (LCR) is in excess of 250% about 262% against minimum 100 % required by RBI.

The Bank continues to enforce cost reduction measures both of direct and indirect costs. The Bank's provision coverage ratio remains healthy at 72.6%, against the minimum of 70.0% prescribed under PCA. Further, besides existing business, the Bank will continue its focus on capital-light loans.

All the existing employees of Bank will continue to be in full service as usual, and remain ever committed as usual to serve customers.

The shareholders have approved for increase of the Authorized Share Capital of the Bank to Rs. 1,000,00,00,000/- (Rupees One Thousand Crores Only), subject to RBI approval.

The Bank will continue the process of considering and evaluating the proposed amalgamation of the "Clix Group" with the Bank, and as was previously informed on 15<sup>th</sup> September 2020, the mutual due diligence is substantially complete.

Additionally, to strengthen the Bank's capital, the shareholders have approved resolution authorizing the Bank to undertake capital raising as FPO, Rights issue, QIP or other available routes to raise capital.

Till a new managing director is appointed, the existing senior management team alongwith the Board of Directors will discharge the day-to-day affairs of the Bank as usual.

### **1. Continuity of comfortable liquidity position of bank**

We are glad to inform that, the Bank's liquidity position as on 27<sup>th</sup> September 2020 is comfortable, with Liquidity Coverage Ratio (LCR) is in excess of 250% i.e. about 262% against minimum 100 % required by RBI. Hence, Bank does not have any Asset-Liability mismatch and is successfully fulfilling its commitments to deposit-holders, bond-holders, account-holders and creditors.



## **2. Continuity of operations as usual**

The Bank continues to enforce cost reduction measures both of direct and indirect costs. The Bank's provision coverage ratio remains healthy at 72.6%, against the minimum of 70.0% prescribed under PCA. All the ATMs of the Bank are migrated to Opex model with state of the art technology and highest uptime to serve customers of our as well as all banks.

Further, besides existing business, the Bank will continue its focus on capital-light loans like Gold loans, Govt Guaranteed loans to optimise profitability without straining capital funds. And Tamil Nadu continues to be the dominant contributor of business for the Bank.

## **3. Continuity of services to customers in all manners through branches, ATMs, POS, DigiGo**

Bank's extensive bouquet of digital products, "DigiGo" and others, the network of 566 branches, 5 Extension Counters, 918 ATMs in 19 states and 1 union territory as on 30<sup>th</sup> June 2020 continues to function as usual.

## **4. Continuity of functioning of employees and interim management**

All the existing employees of Bank will continue to be in full service as usual. Hence, the employees of Bank in their respective functions and capacities, remain ever committed as always, to serve you. Till a new managing director is appointed, the existing senior management team alongwith the Board of Directors will discharge the day-to-day affairs of the Bank as usual. We will be making further announcements on the Interim Management at the soonest.

## **5. Capital raise**

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines, was at 0.17 % as at 30<sup>th</sup> June 2020, thus the bank is in immediate need of capital infusion. Towards this, we are glad to inform that,

- i) the shareholders have approved for increase of the Authorized Share Capital of the Bank from Rs.650,00,00,000 (Rupees Six Hundred and Fifty Crores Only) divided into 65,00,00,000 equity shares of Rs. 10/- each, to Rs. 1,000,00,00,000/- (Rupees One Thousand Crores Only) divided into 100,00,00,000 equity shares of Rs. 10/- each, which is subject to RBI's approval.
- ii) The Bank will continue the process of considering and evaluating the proposed amalgamation of M/s. Clix Capital Services Private Limited ("Clix Capital"), M/s. Clix Finance India Private Limited ("Clix Finance"), and M/s. Clix Housing Finance Private Limited ("Clix Housing"), (collectively, the "Clix Group") with the Bank, and as was



previously informed on 15<sup>th</sup> September 2020, the mutual due diligence is substantially complete.

- iii) Additionally, to strengthen the Bank's capital, the shareholders have approved resolution authorizing the Bank to undertake capital raising as FPO, Rights issue, QIP or other available routes to raise capital.

Bank will continue to share information on the developments in public domain as and when they materialise, and as required by applicable law.

**For Lakshmi Vikas Bank Limited**

**Sd/-**

**Shakti Sinha**

**Independent Director**

**On behalf of Board of Directors**