Karnataka Bank extends rights issue till Nov 28

Our Bureau
Mangaluru, November 20:

Karnataka Bank Ltd has extended its rights issue by seven more days. Originally scheduled to close on November 21, it will now end on November 28. The issue opened on November 7.

The bank informed the stock exchange late on Friday that the RBI circular dated November 8 had instructed all banks to accord top priority to provide facility for exchanging and accepting deposits of ₹ 500 and ₹ 1,000 currency notes. It had also asked the banks to open additional counters to meet the public demand and keep the counters open for extended hours, if necessary. The RBI's circular followed the demonetisation of ₹ 500 and ₹ 1,000 currency notes.

"In view of the above, members of public are visiting the branches of the banks across India in unprecedented large scales either to exchange or to deposit the specified banks notes. It is reported by some of the shareholders of the bank that they are finding it difficult to submit their applications for the rights issue on account of the same," it said.

In this regard, considering the inconvenience being caused the shareholders of the bank and their inability to submit their composite application form in a timely manner, the Internal Capital Adequacy Assessment Committee, vide circular resolution dated November 18, decided to extend the Rights Issue by additional seven days, and accordingly the Rights Issue will close for subscription on November 28 in place of November 21, 2016 as disclosed in the Letter of Offer, the bank informed the stock exchanges.

It may be mentioned here that the board of directors of the bank has decided to issue one share for every two shares held on the record date at ₹ 70 per share, including a premium of ₹ 60 per share.

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