LAKSHMI VILAS BANK

Secretarial Department CIN L65110TN1926PLC001377

Ref/Sec/211/ 113/2017-2018 July 19, 2017

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

Dear Sir,

Sub: Compliance pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

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In compliance of Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we herewith enclose the Notice issued to the members of the Bank for the 90th Annual General Meeting along with the Annual Report with all required annexure viz., Directors Report, Audited Financial Statement and Corporate Governance Report.

This is for your kind information and records.

Thanking you,

Yours faithfully,

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

N Ramanathan
Company Secretary

Encl: 90th Annual Report & Notice.

LAKSHMI VILAS BANK

90th ANNUAL REPORT 2016 - 2017



BOARD OF DIRECTORS



Shri B.K. MANJUNATH
Non Executive Chairman



Shri PARTHASARATHI MUKHERJEE
Managing Director & CEO



Shri N.S. VENKATESH
Executive Director & CFO



Shri S.G. PRABHAKHARAN



Shri S. DATTATHREYAN



Shri N. MALAYALARAMAMIRTHAM



Smt. E.V. SUMITHASRI



Shri Y.N. LAKSHMINARAYANA MURTHY



Shri KUSUMA R MUNIRAJU



Shri PANKAJ VAISH



Shri PRAKASH P MALLYA



Smt. ANURADHA PRADEEP



Shri HEMANT KAUL



Shri SUVENDU PATI
RBI Nominee



Shri RAJNISH KUMAR
RBI Nominee

LAKSHMI VILAS BANK

BOARD OF DIRECTORS

Shri / Smt.

B.K. Manjunath - Non-Executive Chairman (From 06.06.2017)
Parthasarathi Mukherjee - Managing Director & CEO
N.S. Venkatesh - Executive Director & CFO (From 01.07.2016)
S.G. Prabhakharan
S. Dattathreyan
N. Malayalaramamirtham
E.V. Sumithasri
Y.N. Lakshminarayana Murthy
Kusuma R Muniraju
Pankaj Vaish
Prakash P Mallya
Anuradha Pradeep - (From 21.03.2017)
Hemant Kaul - (From 26.04.2017)
Suvendu Pati - RBI Nominee
Rajnish Kumar - RBI Nominee (From 17.05.2017)

PRESIDENTS

A.J. Vidya Sagar (Retail Banking)
RM. Meenakshisundaram (Wholesale Banking)
R V S Sridhar (Chief Risk Officer)
M. Palaniappan (Advisor)

SENIOR VICE PRESIDENTS

RM. Kumarappan
R. Kamalasekaran
A. Shankar
R.K. Gurumurthy
Peeush Jain
P. Premkumar
Sudhir Kaushik
B. Nedumaran
V. Madhusudana Rao
S. Venkatesh
B. Manmadha Rao
Vasant Shukla
N. Nachiappan
A. Rajendran
Sathyananda Prabhu
M. Manikandan
G. Ravindra Kumar
Neena Anand
M. Srinath

COMPANY SECRETARY

N. Ramanathan

STATUTORY AUDITOR

M/s. R.K. Kumar & Co.
Chartered Accountants
Chennai
(Firm's Registration No. 001595S)

SECRETARIAL AUDITOR

Shri K.Muthusamy,
Practicing Company Secretary
Coimbatore
(M.No.F 5865; CP:3176)

REGISTERED OFFICE

Salem Road, Kathaparai, Karur-639 006, Tamilnadu
Phone: 04324-220051 to 220060 (10 lines)
Website: www.lvbank.com
E-Mail: secretarial@lvbank.in

CORPORATE OFFICE

"LVB HOUSE", No. 4, Sardar Patel Road,
Guindy, Chennai - 600 032
Tamilnadu
Phone: 044 - 22205306

REGISTRAR AND SHARE TRANSFER AGENT

M/s. Integrated Registry Management Services Private Limited
II Floor, "Kences Towers",
No.1, Ramakrishna Street,
North Usman Road, T.Nagar,
Chennai - 600 017.
Phone: 044-28140801/2/3 Fax: 28142479
Email: lvb@integratedindia.in

CONTENTS	Page No.
Report of Directors	3
Report of Auditors	15
Balance Sheet	18
Profit & Loss Account	19
Cash Flow Statement	20
Schedules	21
BASEL III - Pillar 3 Disclosures	53
Certificate on Corporate Governance and ESOS	73
A Decade of Progress	126

LAKSHMI VILAS BANK

DIRECTORS' 90th ANNUAL REPORT

TO

THE MEMBERS

The Directors of your Bank have great pleasure in presenting this 90th Annual Report on the business and operations of your Bank together with the Audited Accounts for the year ended 31st March, 2017 (FY 2016-17).

1. FINANCIAL PERFORMANCE:

The highlights of the financial performance of your Bank for the year ended 31st March, 2017 are as under:

Particulars	For the year ended (₹ in crore)	
	31st March 2017	31st March 2016
Deposits	**30,553.35**	25,430.96
Advances (net)	**23,728.91**	19,643.74
Investments (net)	**8,651.73**	6,545.40
Total Income	**3,349.42**	2,872.83
Operating Profit	**634.06**	407.12
Provisions & Contingencies	**377.98**	226.88
Net profit	**256.07**	180.24

Your Bank registered appreciable growth in business volumes that compares very favorably with the industry average. The Bank attained total business of ₹ 54,282.26 crores in FY 2016-17 a growth of 20.43% over ₹ 45,074.70 crores in FY 2015-16.

Deposits grew by 20.14% from ₹ 25,430.96 crores as at 31st March 2016 to ₹ 30,553.35 crores as at 31st March 2017 and total advances (net) expanded by 20.80% from ₹ 19,643.74 crores in FY 2015-16 to ₹ 23,728.91 crores in FY 2016-17. The Bank rolled out a new retail banking strategy for liabilities consisting of growth in CASA and Retail Term Deposits. Under this strategy, the bank is targeting consistent growth in CASA through the metric of Cumulative Daily Average Business or CDAB. This strategy has helped the bank to achieve smooth growth in CASA on CDAB basis to 17.50% of total deposits which is a growth of 3.29% Y-o-Y.

The overall Priority Sector advances during the year increased by ₹ 840.97 Crores from ₹ 7,349.81 Crores to ₹ 8,190.78 Crores. Your Bank has achieved 41.27% of Adjusted Net Bank Credit (ANBC) against the regulatory prescription of 40% of ANBC on Priority Sector lending requirements.

The Total Agricultural advances stood at ₹ 3,572.72 Crores as at 31st March 2017 forming 18% of ANBC. Of which loans to Small and Marginal Farmers stood at ₹ 1,815.31 Crores forming 9.15% of ANBC against the mandatory requirements of 8% of ANBC.

The Bank's advances to Micro Enterprises and Weaker Sections were at 7.83% and 10.17% respectively against the mandatory requirements of 7.50% and 10.00%.

The Bank continues to comply with the regulatory guidelines under Priority Sector, Agricultural lending, Micro Enterprises and Weaker Section advances.

The Bank's exposures to sensitive sectors including Real Estate and Capital Market were maintained well within the regulatory limits.

As at the end of the year under review, the total investments (net) of the Bank stood at ₹ 8,651.73 crores as against ₹ 6,545.40 crores as on 31st March 2016.

Your Bank's Treasury continues to focus on sound Asset-Liability Management and on servicing clients with appropriate treasury products and was managed well in a systematic way in a year when yields were constantly decreasing. Your Treasury also took active trading positions to derive advantage from the fall in yields in the Indian debt market.

2. PROFIT:

The Bank has posted operating profit of ₹ 634.06 crores in FY 2016-17 against ₹ 407.12 Crores in the previous year FY 2015-16 registering a growth of 55.74%. The net profit for the year, after provisions and taxes, amounts to ₹ 256.07 crores as against ₹ 180.24 Crores recorded in 2015-16 recording a growth of 42.08%.

3. APPROPRIATIONS:

Particulars	For the year ended (₹ in crore)	
	31st March 2017	31st March 2016
Profit brought forward	0.00	0.08
Transfer from Investment Reserve	0.00	0.73
Amount available for appropriation	256.07	181.04
Transfer to Statutory Reserve	64.10	45.20
Capital Reserve	77.16	6.04
Other Reserve	46.55	50.00
Investment Reserve	0.00	0.00
Special Reserve u/s 36(i)(viii)of the IT Act, 1961	6.00	15.00
Proposed Dividend	0.00	53.84
Corporate Dividend Tax	0.00	10.96
Balance of profit carried forward	62.26	0.00

4. DIVIDEND:

Your Board of Directors are pleased to recommend a dividend of ₹ 2.70 (27%) per share for the year ended 31st March, 2017 as against ₹ 3.00 (30%) per share for previous year ended 31st March, 2016. The total out go in the form of dividend, including taxes, will be ₹ 62.21 Crores. Considering the conservation of capital for funding the further growth plans of the bank, your bank decided to recommend a dividend of 27% to the shareholders.

In accordance with revised Accounting Standards (AS) 4-Contingencies & Events occurring after the balance sheet date notified by the MCA on March 30, 2016, the proposed dividend including corporate dividend tax amounting to ₹ 62.21 crores has not been shown as an appropriation from the profit & loss appropriation account as of March 31, 2017 and consequently not reported the same under Other liabilities and Provisions as of March 31, 2017.

Your Bank has a Board approved Dividend Distribution Policy which has been formulated in line with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and extant RBI Circulars/Directives. The Dividend Distribution Policy has been enclosed as Annexure J to the Directors' Report. The Policy has also been made available in the website of the Bank and can be accessed at www.lvbank.com.

5. DETAILS OF SHARES ISSUED ON QIP BASIS:

During the year 1,19,85,138 equity shares were allotted to Qualified Institutional Buyers (QIBs) in line with Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. These shares were issued at a premium of ₹ 130 to the face value of ₹ 10.

As on March 31, 2017, the post-issue paid-up capital of your Bank stood at ₹ 191,44,67,470 comprising 19,14,46,747 equity shares of ₹ 10 each.

6. STATEMENT OF DEVIATION OR VARIATION:

During the year, the Bank had issued equity shares to Qualified Institutional Buyers through Qualified Institutional Placement on 03.01.2017. The issue was done in order to enhance the capital adequacy ratio in line with the RBI norms and the proceeds of the

issue were used primarily to enhance the Bank's Capital Adequacy Ratio and to increase our capacity to lend and for general corporate purposes subject to compliance of applicable laws. There was no variation prompting disclosure under Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. EPS / BOOK VALUE:

Earnings per Share stood at ₹ 14.07 for the year ended 31st March, 2017 as compared to ₹ 10.05 as on 31st March, 2016. Book Value of the share, stood at ₹ 102.74 on 31st March, 2017 as compared to ₹ 88.70 as on 31st March, 2016.

8. NET OWNED FUNDS / CAPITAL ADEQUACY RATIO:

Net Owned Funds (NOF) of the Bank increased from ₹ 1,591.86 Crores as at the end of FY 2015-2016 to ₹ 1,966.85 Crores as at the end of FY 2016-2017, reflecting a growth of 23.56%.

The Capital Adequacy Ratio (CAR) as on 31st March 2017 as per BASEL III is 10.38%. The bank has been consistently maintaining Capital Adequacy Ratio well above the regulatory minimum of 9% stipulated by the Reserve Bank of India.

The Tier-I and Tier-II components of Capital Adequacy Ratio were comfortable at 8.75% and 1.63% respectively. The Bank is working out capital raising plans in order to ensure that it meets capital requirement for meeting its business plan.

9. STRATEGY OF IND-AS IMPLEMENTATION:

Ministry of Corporate Affairs (the "MCA") has given a roadmap on convergence to Ind AS by banks mandating them to converge with Ind AS from April 1, 2018. Consequently opening balance sheet needs to be drawn as on April 1, 2017.

RBI, vide circulars DBR.BP.BC.No.76/21.07.001/2015-16 dated February 11, 2016 and RBI/2015-16/429 DBR.BP.BC. No.106/21.07.001/2015-16 dated June 23, 2016, directed banks to be in preparedness to submit the proforma Ind AS Financial Statements from the half-year ended September 30, 2016 onwards. The Bank has formed an interdepartmental Steering Committee to oversee the implementation process under the guidance of the Audit Committee of the Board. The Bank has engaged a consultant for the smooth implementation of Ind AS. The Bank has prepared the Proforma Statement (Unaudited) for the half year ended 30.9.2016 and submitted to RBI.

The country is gearing up to roll out Goods and Services Tax (GST) which is a landmark taxation reform bringing in a consolidated set of tax laws to administer tax on sale of goods and services. The Bank is gearing up to meet the rollout deadline of 1st July 2017. The new tax regime is expected to improve efficiencies for all economic agents in the country and also help to keep a check on inflation and leakage of income.

10. NON-PERFORMING ASSETS (NPA):

There is no respite in asset quality deterioration for the Indian Banking industry and almost all banks have been affected by this phenomenon during the FY 2016-17, though by varying degrees. The NPA portfolio of banks enticed more attention as the RBI undertook Asset Quality Review (AQR) in commercial banks and directed banks to clean their balance sheet. Asset quality slippage and the consequent provisioning have dented the profitability of most of the Indian banks during the financial year. The situation is expected to remain challenging throughout FY 2018 as well due to the twin factors of flat GDP and debt overhang on the corporate balance sheets. It remains to be seen how the new Insolvency and Bankruptcy Code along with steps from RBI would help address the large stock of bad debts in the banking system.

Against this backdrop, your Bank reported GNPA Percentage of 2.67% as at the end of the FY 2016-17 against 1.97% as on 31.3.2016. The Bank has also sold some hardcore NPAs to ARCs which has also enabled it to maintain the NPA at this level during the FY. At the same time, other stressed accounts were upgraded through efficient recovery follow-up which was significant during the period.

During the year, your bank has taken steps to improve borrower selection and credit assessment. The Bank is implementing a relationship-based corporate business model and is implementing a transformation of its MSME business model in order to derive value from its strong leadership in various geographies and to gain entry in quality companies. Credit monitoring has been strengthened and the follow up methodology was further improved. Conduct of high value credit portfolio was put under constant monitoring. Monitoring process has been guided by technology. Wherever stress was noticed, immediate remedial steps were taken and stressed assets were nursed.

11. BRANCH AND ATM NETWORK:

The Bank continued to expand its distribution network, which remains an integral part of the Bank's strategy for tapping CASA deposits, lending to retail & MSME segments and cross selling third-party products.

During the fiscal 2016-17, the Bank added 21 new branches to its network across the country and as on 31st March 2017, the Bank had a network of 480 branches, 1 satellite branch and 7 extension counters, spread across 16 states and the union territory of Puducherry. The Bank also has ATM network of 958 (362 Onsite & 596 Offsite), in vital / major locations for better service to our customers.

The enhanced network of branches and service outlets contributes to sizeable increase in the business. As more and more branches are opened, the clientele base improves vis-à-vis the business levels. The branch expansion in the recent past has contributed significantly to the increase in the business level.

The Bank's focus is on customer delight by maintaining its known high levels of customer service. The Bank has a strong and wide base in the southern states of India and is focusing on retail and MSME sector, by technology-based solutions.

12. FINANCIAL INCLUSION:

Financial Inclusion may be defined as the process of ensuring access to financial services, including timely and adequate credit facilities to vulnerable groups such as weaker sections and low income groups at an affordable cost where needed. The essence of financial inclusion is to ensure that a range of appropriate basic financial services are made available to every individual and enabling them to understand and access those services.

The Bank has implemented the financial inclusion plan in 363 villages and wards allotted by SLBC in Tamilnadu. The Bank has opened 174872 Basic Savings Bank Deposit Accounts (BSBDA) including 96274 accounts under Prime Minister Jan Dhan Yojana (PMJDY).

13. INTERNATIONAL BUSINESS:

During the year, the Indian Rupee outperformed its peers and touched its highest level since October 2015. The Rupee appreciated by around 4% in 2017 compared to depreciation of 2% in 2016 against USD. With rising interest rates in the US, Dollar remained fundamentally supported against all major currencies including emerging market currencies. The uptrend in Dollar gained momentum after the US Presidential election on expectations that the new President's plan to boost fiscal stimulus would benefit the currency.

During the year, the Bank achieved foreign exchange turnover of ₹ 6,416.29 Crores as against ₹ 5,219.18 Crores in the previous year.

14. LIABILITIES PRODUCTS:

The liabilities business grew significantly during FY 17. Total deposits over achieved the Annual Target of ₹ 30,500 crores showing a Y-o-Y growth of 20%. CASA, the low-cost component of deposits, also grew beyond its Annual Target of ₹ 5,800 crores registering a Y-o-Y growth of 32% contributing substantially to a lower cost of deposits. The growth of CASA on a CDAB basis is much more (42%) indicating that the balances grew at a healthy pace. In fact, during the year percentage of CASA (as a part of total deposits) on CDAB basis grew by an unprecedented 329 basis points.

The growth has been spectacular even in the field of account opening. From 2.25 lacs accounts opened during 2015-16, the bank reached a level of 3.26 lacs accounts by end of 2016-17. Of the various products in the Liabilities suite, "Crown" the specialty product for HNI customers, has been a big success. As at March-end, there are almost 10000 Crown customers with a total book of ₹ 369 Crores at an average balance of ₹ 3.70 lacs. The Bank has expanded the crown franchise to introduce LVB crown NRE & NRO accounts.

LVB Saanvi: An updated and refurbished product for women.

Lakshmi Dynamic Current Account: Gives convenience of automatically transferring balances from current account to savings bank account.

LVB Vyapaar Current Account: A specialised current account for small traders and merchants with a zero balance facility and connected along with a POS terminal.

The constantly evolving suite of products and services have also been backed with a well thought out resourcing and training strategy to assure that our teams are able to provide optimal service to all our esteemed customers.

The Bank is well geared up to proceed aggressively on the growth path along with maintaining services of the highest order.

15. LISTING AGREEMENT WITH STOCK EXCHANGES:

The Equity Shares of the bank are listed with the National Stock Exchange of India Ltd, Mumbai and BSE Ltd, Mumbai which is enhancing the liquidity of your equity shares.

16. ALIGNING TECHNOLOGY WITH BUSINESS OBJECTIVE:

Payments:

The Bank is leveraging its mobile banking applications to address fast-paced customer behaviour in the payments space. The government has given clear mandate to banks to push digital payments and reduce dependence of economy on cash mode of payments. Your bank has taken steps in this direction. Further the Bank is investing resources to improve its applications with a view to offering more delight and convenience to customers.

LVB Mobile:

Your bank had launched the LVB Mobile app in January 2016 and has since then released various updates with new features. The Bank is in the continuous process of enriching the LVB Mobile App and as part of the same, the following features were enabled during the financial year 2016 - 2017:

1. Introduced enhanced security feature to identify and authenticate customer during on boarding process.
2. To have mass reach across the nation, the App was enhanced with multilingual facility of regional languages such as Hindi, Telugu, Tamil, Kannada and Malayalam in addition to default English language.
3. During the demonetisation episode it enabled LVB Merchants to accept payments from LVB customers through LVB Mobile QR based scan and pay feature.
4. Enabled On-boarding of customers to devices like Android Tablets & Apple iPads through QR code based flow from their registered device.
5. Enhanced with features of bill payment facility to Tamil Nadu Electricity Board which is in addition to various other states electricity bill payments.
6. Customers were provided with features of demat details like Statement of Account, Statement of Holding, Statement of Billing and Latest transaction details.

LVB UPAAY:

Your bank had successfully launched an app called LVB UPAAY during February 2017 based on the NPCI Unified Payments Interface platform, in line with the Government's initiatives of "Go Digital" as well as your Bank's business objectives.

The app is the latest in a series of technology initiatives launched by the Bank. It would significantly facilitate payment and collection of amounts across multiple accounts, multiple banks and multiple account holders. It can be used by LVB customers as well as non-customers, so that the Bank's visibility, reach and fee based income can improve.

Salient features of LVB UPAAY:

- Users can link, manage and transact on several accounts of multiple banks (participating in UPI) from a single app.
- Users can do various kinds of transactions like viewing balance in accounts, remitting funds, collecting funds etc., from all the linked accounts.
- Facilitates users to do the transactions using Virtual Payment Address- VPA.
- However, transactions can also be carried out using Account Number & IFSC code or Mobile Number & MMID
- Facility to collect funds from others in addition to usual remitting.
- Other features like Recharge of Mobile & DTH are also available, which only very few UPI apps in the market are having.

In addition, the bank has kicked off important projects such as CRM and Business Analytics which are expected to deliver strong business value in years to come.

Technology Award:

Your bank has bagged CIO100 award from M/s. IDG Media Pvt. Ltd. for effectively implementing Mobility platform.

17. WEALTH MANAGEMENT / PARABANKING ACTIVITIES:

Life Insurance:

Bank has progressed with 31% growth Y-o-Y, in this business line and insured 5600 lives last year. To further enhance our product basket, we have partnered with "Birla Sun Life Insurance" and "DHFL Pramerica", under the open architecture adding a few new products, thus providing a diversified set of options to our clients to satisfy their specific needs.

Following life insurance products will complement our present product suit through the new tie-up's

- School Fees Protection Solution
- Rakshak Gold - Life cover for Defense segment
- Dengue Group Shield
- ULIPS

General Insurance:

Collected premium of ₹ 16.22 Crores during the FY, by covering the assets of our corporate and retail customers and registered Y-o-Y growth of 37% in premium collections.

Health Insurance:

The Bank has tied up with M/s. Cigna TTK Standalone Health Insurance Company Ltd to offer Health Insurance Products to the customers; the Bank has collected health insurance premium of ₹ 5.16 Crores during the year and covered around 5800 customers.

Wealth Management:

1. FISDOM - Bank has tied up with M/s. Finwizard Technology Pvt Ltd (widely known as FISDOM) to offer mobile based wealth management services to our customers.

- Fisdom enables end-to-end digital transactions for mutual funds for the first time in India.
- Here our customers can invest in equity, debt and liquid instruments through Fisdom and Fisdom has covered almost all leading AMCs.

2. The Bank has tied up with M/s. Centrum Wealth Management Limited offering end to end wealth management solutions to our Ultra HNI clients. CWML is an established player in market, with AUM of ₹ 10,000 Crores and expertise in area of complete Private Banking.

18. RISK:

The risk management objective of the Bank is to balance between risk and return while operating within acceptable level of risk appetite. The Bank has an independent risk management function which is tasked with managing risk through policies and processes approved by the Board of Directors. These encompass identification, measurement and management of risks across the various businesses of the Bank. The risk management function in the Bank strives to scientifically study vulnerabilities of process, across business portfolios through quantitative or qualitative examination of the embedded risks and controls. The function continues to focus on refining and improving its risk management systems through automation of processes and building and strengthening controls.

The Bank has in place a Risk Management Committee of the Board of Directors. The Bank has formulated and adopted a robust risk management framework. The Bank has in place committees such as Credit Risk Management Committee (CRMC), Asset Liabilities Committee (ALCO), Operational Risk Management Committee (ORMC), Business Continuity Management Committee (BCMC), Information Systems and Security Steering Committee (ISSC). These committees discuss risk related issues arising from businesses and processes and have active participation from Top Management of the Bank.

The overall risk appetite and risk philosophy of the Bank is articulated by its Board of Directors. The risk appetite framework provides guidance to the management on the desired level of risk for various types of risks in the long term and helps steer critical portfolio decisions. Further, the Internal Capital Adequacy Assessment Process (ICAAP) of the Bank assesses all the significant risks associated with various businesses. The independent risk management structure within the Bank is responsible for managing the credit risk, market risk, liquidity risk, operational risk, other Pillar II risks like reputation risk and strategic risks and exercising oversight on risks associated with outsourcing. The Bank has in place well-defined policies appropriate for the various risk categories viz, credit risk, market risk, operational risk, liquidity risk, counterparty risk, country risk, reputational risk, strategic risk and outsourcing risk, supplemented by monitoring. These are reviewed periodically in order to benefit from internal and external experience.

19. INTERNAL CONTROLS:

Bank has a separate Audit and Inspection Department, which subjects all the branches of the Bank besides the Treasury, Currency Chests, Service Branches, Regional Offices and every department of the Corporate Office, to regular inspection. All the branches are subjected to IS Audit.

Key Functional areas including Treasury at Mumbai, Central Processing Centre at Karur, Central Processing Cell, Chennai, Depository Participant Cell, Technology Centre, Chennai and 105 branches are under Concurrent Audit which covers 61% of the total deposits and 75% of the total advances of the Bank.

The Audit Committee of the Board constituted in line with RBI guidelines and as per the requirements of SEBI Regulations reviews the adequacy of the audit and compliance functions, including the policies, procedures and techniques. The Composition of Audit Committee of the Board is provided elsewhere in the report.

During the year, there were no instances wherein the Board has not accepted the recommendations of the Audit Committee of the Board.

20. HUMAN RESOURCES:

The Staff strength of the Bank was augmented during the year 2016-17 with recruitment of 40 executives, 280 officers, 133 junior officers, 319 clerks and 9 subordinate staff. Further, 526 Sales Personnel were also engaged to boost sales. Total number of employees as on 31.03.2017 was 4043 as against 3565 as on 31.03.2016.

The Bank's focus on training the human resources on a continual basis gained momentum by conducting online e-learning duly leveraging technology. The Bank has trained a considerable number of resources in offsite training programmes conducted by reputed institutions such as RBI, CAB, Great Lakes Institute of Management, SIBTC, IIBF, NIBM & FEDAI. The introduction of competency based interview model and psychometric tools are helping in hiring the right person for the right role.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE BANK:

Disclosure under Section 186 of the Companies Act, 2013 does not apply to Banking Company.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

There were no related party transactions during the year under review and Form AOC-2 is not applicable to the Bank. During the FY 2016-17, the Bank did not have any material Related Party Transaction.

The Bank has an approved policy on Related Party Transactions, which has been disclosed on the website and can be viewed at http://www.lvbank.com/UserFiles/File/RelatedPartyTransactions_Policy.pdf

23. OUTLOOK 2017-18:

Risks are evenly balanced around the inflation trajectory at the current juncture. There are upside risks to the baseline projection. The main one stems from the uncertainty surrounding the outcome of the south west monsoon in view of the rising probability of an El Niño event around July-August, and its implications for food inflation. Proactive supply management will play a critical role in staving off pressures on headline inflation. A prominent risk could emanate from managing the implementation of the allowances recommended by the 7th CPC. In case the increase in house rent allowance as recommended by the 7th CPC is awarded, it will push up the baseline trajectory by an estimated 100-150 basis points over a period of 12-18 months, with this initial statistical impact on the CPI followed up by second-order effects. Another upside risk arises from the one-off effects of the GST. The general government deficit, which is high by international comparison, poses yet another risk for the path of inflation, which is likely to be exacerbated by farm loan waivers. Recent global developments entail a reflation risk which may lift commodity prices further and pass through into domestic inflation. Moreover, geopolitical risks may induce global financial market volatility with attendant spillovers. On the downside, international crude prices have been easing recently and their pass-through to domestic prices of petroleum products should alleviate pressure on headline inflation. Also, stepped-up procurement operations in the wake of the record production of foodgrains will rebuild buffer stocks and mitigate food price stress, if it materialises.

GVA (Gross Value Added) growth is projected to strengthen to 7.4 per cent in 2017-18 from 6.7 per cent in 2016-17, with risks evenly balanced. Several favourable domestic factors are expected to drive this acceleration. First, the pace of remonetisation will continue to trigger a rebound in discretionary consumer spending. Activity in cash-intensive retail trade, hotels and restaurants, transportation and unorganised segments has largely been restored. Secondly, significant improvement in transmission of past policy rate reductions into banks' lending rates post demonetisation should help encourage both consumption and investment demand of healthy corporations. Thirdly, various proposals in the Union Budget should stimulate capital expenditure, rural demand, and social and physical infrastructure all of which would invigorate economic activity. Fourthly, the imminent materialisation of structural reforms in the form of the roll-out of the GST, the institution of the Insolvency and Bankruptcy Code and the abolition of the Foreign Investment Promotion Board will boost investor confidence and bring in efficiency gains. Finally, the upsurge in initial public offerings in the primary capital market augurs well for investment and growth.

The global environment is improving, with global output and trade projected by multilateral agencies to gather momentum in 2017. Accordingly, external demand should support domestic growth. Downside risks to the projected growth path stem from the outturn of the south west monsoon; ebbing consumer optimism on the outlook for income, the general economic situation and employment as polled in the March 2017 round of the Reserve Bank's consumer confidence survey; and, commodity prices, other than crude, hardening further. While economic conditions are unlikely to change significantly, factors like oil prices and geo-political disruptions are unknown factors that can have negative impact in 2017-18. Though India is expected to maintain GDP levels above 7 pct, which would possibly be the highest in the world, credit demand is unlikely to recover significantly, as new capacity creation in the industrial sector is still some time away, and borrowers continue to grapple with leverage on their balance sheet.

24. CORPORATE GOVERNANCE:

Corporate Governance of the Bank continues to rest on the fundamental pillar of high ethical values, designed to enhance and protect the interests of all the stakeholders. The Bank has complied with the Corporate Governance provisions as specified in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. All the Directors on the Board have executed deed of covenant and undertaking individually inline with the recommendations of Dr. Ganguly Committee Report.

Further pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis is presented in Annexure-A and Report on Board Committees is furnished in Annexure-B. Composition of the Board of Directors together with the attendance of Directors at various meetings of the Board, its Committees and Annual General Meeting and the number of directorships held by them alongwith the details of Audit Committee and Stakeholders Relationship Committee are furnished in Annexure-C, including composition of the Audit Committee. General Shareholders' information is furnished in Annexure-D.

25. NUMBER OF MEETINGS OF THE BOARD:

During the financial year, the Board met 13 times. The Board meetings were held in accordance with the provisions of the Companies Act 2013. The details of the meetings held are provided in the Corporate Governance Report that forms part of this Annual Report.

26. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

According to the Articles of Association of our Bank, the number of Directors of the Bank shall not be less than three and more than fifteen and not less than fifty-one percent of the total number of Directors shall be persons who satisfy the requirements of Section 10A of the Banking Regulation Act. The process of Due Diligence is undertaken in compliance of Directives/Guidelines/Circulars issued by RBI from time to time in the matter of appointment/re-appointment of Director. The Non-Executive Chairman of the Bank, the Managing Director and the Executive Director of the Bank are appointed with prior approval of the RBI. Based on the vacancies

that may arise in the Board from time to time, the Board follows a due process of appointment of directors through prior due diligence in line with the regulatory advice given by RBI, SEBI and MCA by way of Circulars / Guidelines / Regulations / enactments. The Nomination, Remuneration and Compensation Committee of the Board has formulated criteria for evaluation for the appointment or re-appointment of directors including Independent directors. The Whole Time Directors of the Bank i.e., the Managing Director & CEO and the Executive Director & CFO of the Bank are paid remuneration as approved by the RBI but are not paid any sitting fees. Other than the MD&CEO and ED&CFO, no other directors are paid any remuneration apart from sitting fees for attending Board and Board Committee Meetings. The details of remuneration of the MD&CEO and ED&CFO and that of the sitting fees paid to the other directors are available elsewhere in the report. The Senior Management and the other KMP, being the Company Secretary of the Bank along with other employees are paid remuneration based on internal HR policies of the Bank. The senior management of the Bank along with the KMPs abide by the Code of Conduct prescribed by the Bank. The code of conduct has been disclosed at the Bank's website and can be viewed at http://www.lvbank.com/UserFiles/CODEOFCONDUCT.pdf.The MD&CEO, ED&CFO and Company Secretary are the Key Managerial Personnel (KMPs) of the Bank, as stipulated by the Companies Act, 2013. Other than MD&CEO and ED&CFO there are no other whole time directors in the bank.

27. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has duly obtained necessary declarations from each independent director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence as laid down in Section 146(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Company has also obtained the 'Fit and Proper' declaration as prescribed by the Reserve Bank of India.

28. BOARD EVALUATION:

The Board discussed in detail and reviewed the performance of the Board as a whole and that of the individual Directors and of various Committees of the Board based on the Criteria for evaluation of Independent Directors and the Board as formulated by the Nomination, Remuneration and Compensation Committee of the Board. The Board had already taken note of the evaluation made by the Independent Directors on the Board at their meeting held on 28.02.2017. During the evaluation, the Independent Directors had noted that the performance of the Non-Independent Directors, the Board, the Managing Director & CEO and Executive Director & CFO in the Board was satisfactory during the year 2016-17.

Based on the inputs received from the evaluation conducted by the Independent Directors and also considering certain specific criteria depending on the role of the director/committee in the Bank and the criteria for evaluation framed by the Nomination, Remuneration and Compensation Committee of the Board, the subject of board evaluation consisted of the following:

1. Evaluation of Board as a whole.
2. Evaluation of Board Committees
3. Evaluation of Individual Directors of the Board.
    - Evaluation of Managing Director and Executive Director.
    - Evaluation of non-Independent Directors.
    - Evaluation of Independent Directors

While evaluating the performance of the Board, Board Committees and Individual Directors, the Directors considered various parameters including those formulated by the Nomination, Remuneration and Compensation Committee of the Board and the Guidance Note on Board Evaluation prescribed by SEBI. Some of the factors considered include the Structure of the Board, the mix of qualification, the Functions of the Board, etc. Being governed by the Banking Regulation Act, 1949, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, the mandatory Committees of the Board have been entrusted with specific roles and responsibilities under the relevant regulatory provisions. Besides the mandatory Committees as prescribed by the regulators, the Board has separately constituted certain Committees with specific reasons viz., the HR Committee of the Board and the Capital Raising Committee of the Board.

The evaluation of Board Committees was done taking into account their mandate, composition, frequency of their meetings, independence of the Committees from the board, contribution of the Committees to the decisions of the Board through recommendations and to the Management through decisions, etc. The Managing Director & CEO and the Executive Director & CFO of the Bank were evaluated based on the Business targets set and the Bank's overall performance during the year, managing and executing the Board approved business plans, operational plans, risk management, and financial affairs of the organization; ensuring proper coordination between the Board and the Senior Management; Motivating employees and resolving major employee related issues, thus maintaining a healthy work environment; Ensuring strict monitoring of the internal control processes.

The non-executive Directors (both Independent and non-Independent) of the Bank were evaluated based on their attendance and active participation in the Board and Committee meetings, openness to new ideas and ability to challenge old practices and throwing up new ideas for discussion; Coordination and rapport with the fellow Board Members; the positive contribution of the individual Directors who come from a professional background and the quality of suggestions and guidance given by them through their participation in the meetings with an understanding of the business of the Bank and an understanding of their role and responsibilities and the overall

effectiveness; the broad based discussions at Board/Committee Meetings, the understanding of the regulatory requirements; remaining abreast of various developments in the Indian banking arena and keeping up with the various modifications / re-enactments of statutory enactments applicable to the Bank like the Companies Act, SEBI Regulations and the Banking Regulation Act, 1949; approach towards conflicts resolution and their contribution in enhancing the Board's overall effectiveness and integrity and maintaining of confidentiality.

The Independent Directors of the Bank were also provided a familiarisation program about the bank and their ability to bring in an independent judgment to the issues handled by the Board without getting influenced otherwise. The evaluation with respect to individual non-executive directors revolved around various factors as mentioned above and it was ensured that the Board members evaluated their fellow member Directors in the absence of the Director being evaluated.

29. CHANGES IN THE BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

Resignations/Cessation of tenure of appointment:

- Shri K. Babuji, RBI Nominee Director's nomination was withdrawn by RBI (appointing authority) on 13.05.2016 after having served on the Board for about a year.
- Shri P.A. Shankar attained superannuation as per RBI Directive on 03.06.2016 as he had attained 70 years of age.
- Shri DLN Rao retired on 14.08.2016 as per the provisions of Section 10A (2A) of the Banking Regulation Act, 1949 after serving on the Board continuously for a period of eight years.
- Shri K.R. Pradeep retired on 27.02.2017 as per the provisions of Section 10A (2A) of the Banking Regulation Act, 1949 after serving on the Board continuously for a period of eight years.
- Shri Vivek Srivastava, RBI, Nominee Director's nomination was withdrawn by RBI (appointing authority) on 17.05.2017 after having served on the Board for about a year.

Appointments:

- Shri Vivek Srivastava, General Manager, RBI, was appointed as Nominee Director by the RBI on 13.05.2016 for a period of two years or till further orders whichever is earlier.
- Shri Y.N. Lakshminarayana Murthy was appointed as an Additional Director on 10.06.2016 pursuant to the provisions of Section 149 (4) and Section 161 of the Companies Act, 2013 and classified under Independent category in terms of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and representing Agriculture & Rural Economy under majority sector as per Banking Regulation Act, 1949.
- Shri N.S. Venkatesh was appointed as the Executive Director of the Bank by RBI vide its letter no.DBR.Appt.No.10514/08.44.001/2015-16 dt. 22.02.2016 as per Section 35B of BR Act, 1949 for three years from date of his taking charge. Shri N S Venkatesh assumed office as the Executive Director of our Bank on 01.07.2016.
- Shri B.K. Manjunath was appointed as the Part-Time Chairman of the Bank by RBI vide its letter no DBR. Appt.No. 4061/08.44.001/2016-17 dated 05.10.2016 as per Section 10 B(1A)(i) of the Banking Regulation Act, 1949 for three years from the date of his taking charge. Shri B.K. Manjunath was inducted to the Board on 06.06.2017 and classified under Independent category in terms of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and representing Accountancy under minority sector as per Banking Regulation Act, 1949.
- Shri Kusuma R. Muniraju was appointed as an Additional Director on 01.07.2016 pursuant to the provisions of Section 149 (4) and Section 161 of the Companies Act, 2013 and classified under Independent category in terms of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and representing Law under majority sector as per Banking Regulation Act, 1949.
- Smt. Anuradha Pradeep was appointed as an Additional Director on 21.03.2017 pursuant to the provisions of Section 161 of the Companies Act, 2013 and classified as Non-Executive and Non-Independent Director in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and representing Law under minority sector as per Banking Regulation Act, 1949.
- Shri Hemant Kaul was appointed as an Additional Director on 26.04.2017 pursuant to the provisions of Section 149 (4) and Section 161 of the Companies Act, 2013 and classified under Independent category in terms of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and representing Banking under majority sector as per Banking Regulation Act, 1949.
- Shri Rajnish Kumar, General Manager, RBI, was appointed as Nominee Director by the RBI on 17.05.2017 for a period of two years or till further orders whichever is earlier.

Shri Pankaj Vaish and Shri Prakash P Mallya were appointed as Independent Directors by the shareholders of the Bank at the 87th Annual General Meeting held on 26.09.2014 for a period of two years in line with the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013. Their term of office came to an end on 25.09.2016 after which, considering the knowledge and rich experience, they were appointed as Additional Directors on 27.09.2016 under Independent category.

Re-appointment of Director retiring by rotation:

Shri N. Malayalaramamirtham, Director, will be retiring by rotation at the ensuing 90th Annual General Meeting and being eligible, offers himself for re-appointment.

Key Managerial Personnel

- Shri M. Palaniappan, Chief Financial Officer of the Bank vacated office as per the terms of appointment with effect from 31.10.2016 after serving the Bank as the Chief Financial Officer for about six years.
- Shri N.S. Venkatesh, who took charge as the Executive Director of the Bank on 01.07.2016, was additionally designated as the Chief Financial Officer of the Bank with effect from 26.12.2016, in addition to the responsibilities as Executive Director of the Bank.

Apart from the above, there were no changes in the Key Managerial Personnel during the year.

30. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SEC 134(3)(C) OF COMPANIES ACT, 2013:

The Board of Directors of your Bank confirms that in the preparation of the annual accounts for the year ended March 31, 2017:

- The applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of applicable laws governing banks in India for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis;
- The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

31. SOCIAL INITIATIVES 2016-2017:

Your bank as a responsible corporate citizen has been supporting various philanthropic activities by donating such initiatives to the tune of ₹ 4.51 Lakhs. Further your bank has also taken several initiatives in the area of CSR.

Corporate Social Responsibility (CSR)

In accordance with the directives of Government of India, the Bank is required to spend 2% of the average net profit of the last 3 Financial Years or any part thereof on CSR activities. The Bank has disclosed its CSR policy in the website and the same can be viewed at www.lvbank.com/download/Corporate_Social_Responsibility_policy.pdf. The Annual Report on the CSR activities undertaken during the year as per the format specified by the Ministry of Corporate Affairs is forming part of this Report and is annexed to this Report as Annexure E.

32. BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report prepared in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been made available on the Bank's website at www.lvbank.com.

33. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 134(1)(a), the extract of Annual Return in Form MGT 9 as provided under Sub-Section (3) of Section 92 is appended to this Annual Report as Annexure F.

34. PARTICULARS OF EMPLOYEES:

The disclosures pursuant to the provisions (as amended) of Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Disclosures pursuant to the provisions of Section 197 (12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as Annexure-G.

35. EMPLOYEES STOCK OPTION SCHEME:

In the year 2010, the shareholders of the Bank have approved the issue of shares through Stock Option Scheme. Employees of the bank including the ED&CFO have been granted with options of 20,10,190 in the FY 2016 - 17. Statutory disclosures regarding ESOS have been furnished in Annexure H to this report and can be viewed at www.lvbank.com/annualreport.aspx.

36. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The provisions of Section 134(1) (m) of the Companies Act, 2013 and the applicable rule under the Companies (Accounts) Rules, 2014 relating to conservation of energy and technology absorption do not apply to your Bank. The Bank has, however, used Information Technology extensively in its operations. The Bank continues to encourage the country's exports and will endeavor to enlarge its export financing.

37. DETAILS OF MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE BANK WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE BANK TO WHICH THE FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT:

There were no material changes and commitments affecting the financial position of the bank which have occurred between the end of the financial year of the bank to which the financial statement relates and the date of the report.

38. DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED, IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE BY REGULATORS OR COURTS OR TRIBUNALS:

During the year under review no significant or material Orders were passed by any regulators or courts or tribunals against the Bank other than those disclosed separately in the financial statements, directors report and in the Corporate Governance Report.

39. OTHER PENALTIES IMPOSED BY REGULATORS:

- Reserve Bank of India ("RBI") vide order dated 30.12.2016 had imposed a penalty of ₹ 3 crores towards "Unauthorised Bill discounting in Cathedral Road Branch, Chennai".
- RBI had imposed a penalty of ₹ 7,600/- relating to soiled currency remittances made to RBI by our currency chest for defective/ counterfeit currency detected.

40. NUMBER OF CASES FILED, IF ANY AND THEIR DISPOSAL UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

In order to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected there with or incidental thereto, as sexual harassment results in violation of the fundamental rights of a woman to equality under Articles 14 and 15 of the Constitution of India and her right to life and to live with dignity under Article 21 of the Constitution and right to practice any profession or to carry on any occupation, which includes a right to a safe environment free from sexual harassment, a well-defined policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been adopted by the Bank. The complaints registered under the Act, on actions covered under the ambit of Sexual Harassment at work place are handled by a committee represented by a senior executive of the Bank, a lady Law Officer and an external member. Redressal of such complaints are dealt with in a prudent manner, giving equal opportunity to both the aggrieved and the accused for representation of the case and without affecting the dignity and self-esteem of the women employee (permanent, contractual, temporary, trainee).

Number of complaints pending as on the beginning of the financial year - Nil

Number of complaints filed during the financial year - Nil

Number of complaints pending as on the end of the financial year - Nil

41. VIGIL MECHANISM:

Disclosure of information in the public interest by the employees of an organisation is increasingly gaining acceptance by public bodies for ensuring better governance standards and probity in the conduct of affairs. Large scale corporate frauds had necessitated, internationally, various legislative measures for safeguarding public interest through enactments.

As a proactive measure for strengthening financial stability and with a view to enhance public confidence in the robustness of the financial sector, RBI has formulated a scheme called "Protected disclosures scheme for private sector and foreign banks".

In the above perspective, our Bank has formulated and implemented a "Whistle Blower Policy" which is made available in the Bank's Website and local internet. During the year 2016-17, no personnel has been denied access to the audit committee. The Web link thereto is https://www.lvbank.com/UserFiles/File/WhistleBlowerPolicy_2015.pdf.

42. FAMILIARISATION PROGRAMME:

Pursuant to the Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank has to conduct a familiarization programme for newly inducted Independent Directors and the Bank has done accordingly. In compliance with Regulation 46 (2) (i) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the details of the familiarisation programme conducted are disclosed in the website of the Bank and can be viewed at http://www.lvbank.com/Independent_Directors-TnC.aspx.

43. CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS IN SECURITIES OF THE LAKSHMI VILAS BANK LIMITED:

The Bank has formulated a Code of Conduct pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 to regulate, monitor and ensure reporting of trading by the employees and other connected persons towards achieving compliance with the SEBI Regulations and is designed to maintain highest ethical standards of dealing in securities of the Bank by persons to whom it is applicable. The code of conduct and related policy are available in the Bank's website and can be viewed at http://www.lvbank.com/Insider_Trading.aspx

44. AUDITORS:

Statutory Auditors:

The Statutory audit of the Bank was carried out by M/s. R. K. Kumar & Co, Chartered Accountants, Chennai, whose report is annexed and forms part of this report. The Statutory Central and Branch Auditors have audited all the branches and other offices of the Bank. With regard to the observations made by the Auditors 'without qualifying' their report dated 26.04.2017, our response to the same are furnished hereunder: -

Observation:

Quote: "We draw attention to

(i) Note No.2.4.4.C of the financial statements, regarding deferment of charging off to Profit and Loss account, the loss of ₹ 31.29 Crores on sale of advances to Asset Reconstruction Companies;

(ii) Note No. 4.27 of the financial statements, regarding deferment of charging off to Profit and Loss account, the loss of ₹ 19.15 Crores relating to advance accounts reported as fraud;

Our opinion is not qualified in respect of these matters.

Response:

(i) As permitted by RBI, the bank has opted to provide for the net shortfall on account of sale of assets to Reconstruction Companies over a period of eight/four quarters. Consequently, ₹ 74.90 Crores has been charged to the Profit & Loss account for the year ended 31st March 2017. The unamortised amount on this account as on 31st March 2017 is ₹ 31.29 crores and is debited to 'Other Reserves' and credited to 'Other Provisions', as per RBI guidelines vide no.DBR.No.BP.BC.102/21.04.048/2015-16 dated 13.06.2016.

(ii) As permitted by RBI vide its circular RBI/2014-15/535/DBR.No.BP.BC.83/21.04.048/2014-15 dated 01.04.2015, the outstanding balance in fraud accounts relating to advances amounting to ₹ 31.72 crores, is being provided over a period of four quarters. Consequently, ₹ 12.51 crores has been charged to profit & Loss account for the period ended 31st March 2017. The unprovided amount on this account as on 31st March 2017 is ₹ 19.15 crores and is debited to 'Other Reserves' and credited to 'Other Provisions', as per RBI circular no.DBR.No.BP.BC.92/21.04.048/2015-16 dated 18.04.2016.

Details of frauds reported by auditors:

There were no offences involving fraud committed against the Bank by its employees or officers that required immediate reporting to the central government as per Section 143 (12) of the Companies Act, 2013.

Secretarial Auditor

Pursuant to the provisions of Companies Act 2013, the Bank has appointed Mr. K. Muthusamy, Practicing Company Secretary, Coimbatore (CoP 3176) as the Secretarial Auditor for the FY 2017. The Secretarial Audit Report dated 22.05.2017 is annexed to this report as Annexure-I. There are no qualifications, reservation or adverse remark or disclaimer in the report.

45. ACKNOWLEDGMENTS:

Your Directors would like to thank the shareholders and customers for their continued goodwill and support. The Board also gratefully acknowledges the guidance and co-operation received from the Reserve Bank of India and other regulatory and government authorities like SEBI, NSE, BSE, NSDL, CDSL and Department of Income Tax.

Your Directors would also like to express their sincere appreciation of the contribution made by the management and staff including the Employees' Union and Officers' Association for their support in delivering a significantly improved performance and look forward to a more evolved relationship,s as steps are taken to re-orient the bank for the future.

For and on behalf of the Board of Directors

B.K. Manjunath	Parthasarathi Mukherjee
Chairman of the Bank	Managing Director & CEO

Place : Chennai
Date : 06.06.2017

INDEPENDENT AUDITOR'S REPORT

To

The Members of The Lakshmi Vilas Bank Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of The Lakshmi Vilas Bank Limited ('the Bank'), which comprise the Balance Sheet as at 31 March 2017, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns for the year ended on that date of 25 branches/offices audited by us and 474 branches audited by branch auditors.

Management's Responsibility for the Standalone Financial Statements

2. The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act,2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Bank including its branches in accordance with Standards on Auditing ('the Standards') specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Bank's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 in the manner so required for banking companies and give a true and fair view in conformity with accounting principles generally accepted in India of the state of affairs of the Bank, as at 31st March 2017 and its profit and its cash flows for the year then ended.

Emphasis of Matter

9. We draw attention to

   (i) Note No.2.4.4.C of the financial statements, regarding deferment of charging off to Profit and Loss account, the loss of ₹.31.29 Crore on sale of advances to Asset Reconstruction Companies;

(ii) Note No. 4.27 of the financial statements, regarding deferment of charging off to Profit and Loss account, the loss of Rs.19.15 Crore relating to advance accounts reported as fraud;

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

10. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

11. As required by sub section (3) of section 30 of the Banking Regulation Act, 1949, we report that:

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank.

(c) the returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

12. Further, as required by Section 143(3) of the Act, we report that:

(i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(ii) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

(iii) the reports on the accounts of the branches audited by branch auditors of the Bank under section 143(8) of the Companies Act, 2013 have been sent to us and have been properly dealt with by us in preparing this report;

(iv) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;

(v) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting policies prescribed by RBI;

(vi) on the basis of written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(vii) with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and

(viii) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. the Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Schedule 18 - Note No. 6. (a) to the financial statements;

b. the Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Schedule 18 - Note No. 3.12 to the financial statements;

c. there has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Bank; and

d. The disclosure requirement as envisaged in Notification G.S.R 308(E) dated 30th March 2017 is not applicable to the Company - Refer Schedule 18 - Note No. 6 (b) to the financial statements;

For **M//s. R. K. KUMAR & CO.**
Chartered Accountants
FRN - 001595S

(G. NAGANATHAN)
Partner
M.No. 022456

Place : Chennai
Date : 26th April, 2017

Annexure A to the independent auditor's report of even date on the standalone financial statements of The Lakshmi Vilas Bank Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

1. We have audited the internal financial controls over financial reporting of The Lakshmi Vilas Bank Limited ('the Bank') as at 31st March 2017 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI')".

   These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') and the Standards on Auditing ('the Standards'), both issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A bank's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A bank's internal financial control over financial reporting includes those policies and procedures that:
   (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank;
   (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the bank are being made only in accordance with authorizations of management and directors of the bank; and
   (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **M//s. R. K. KUMAR & CO.**
Chartered Accountants
FRN - 001595S

(G. NAGANATHAN)
Partner
M.No. 022456

Place : Chennai
Date : 26th April, 2017

LAKSHMI VILAS BANK

BALANCE SHEET as on 31st March 2017

(₹ 000's)

	Schedule	As at 31-03-2017	As at 31-03-2016
I. CAPITAL & LIABILITIES			
a. Capital	1	**191,44,67**	179,46,16
b. Reserves & Surplus	2	**1944,89,50**	1584,13,25
c. Deposits	3	**30553,35,35**	25430,96,15
d. Borrowings	4	**1773,13,21**	723,00,78
e. Other Liabilities & Provisions	5	**781,89,32**	752,91,67
TOTAL		**35244,72,05**	28670,48,01
II. ASSETS			
a. Cash & Balances with Reserve Bank of India	6	**1454,80,48**	1286,50,22
b. Balances with Banks and Money at call & Short Notice	7	**169,07,17**	82,10,91
c. Investments	8	**8651,73,03**	6545,40,46
d. Advances	9	**23728,91,14**	19643,73,90
e. Fixed Assets	10	**359,11,90**	366,99,87
f. Other Assets	11	**881,08,33**	745,72,65
TOTAL		**35244,72,05**	28670,48,01
Contingent Liabilities	12	**3199,65,05**	3687,01,45
Bills for collection		**878,44,88**	884,43,12
Significant Accounting Policies	17		
Notes on Accounts	18		

Schedules 1 to 12 and 17 to 18 form part of this Balance Sheet.

As per our report of even Date attached

For **M/s. R.K. KUMAR & CO**
Chartered Accountants
FRN - 001595S

G.NAGANATHAN
Partner
M. No. 022456

Chennai
26th April, 2017

KUSUMA R MUNIRAJU
Chairman of the Meeting

PARTHASARATHI MUKHERJEE
Managing Director & CEO

N.S.VENKATESH
Executive Director & Chief Financial Officer

N. RAMANATHAN
Company Secretary

S.G. PRABHAKHARAN
N. MALAYALARAMAMIRTHAM
E.V. SUMITHASRI
Y.N. LAKSHMINARAYANA MURTHY
PANKAJ VAISH
PRAKASH P MALLYA
ANURADHA PRADEEP
SUVENDU PATI
Directors

LAKSHMI VILAS BANK

PROFIT AND LOSS ACCOUNT for the year ended 31st March 2017

(₹ 000's)

	Schedule	Year ended 31-03-2017	Year ended 31-03-2016
I. INCOME			
a. Interest Earned	13	**2846,65,75**	2568,29,91
b. Other Income	14	**502,76,78**	304,53,24
TOTAL		**3349,42,53**	2872,83,15
II. EXPENDITURE			
a. Interest Expended	15	**2064,00,36**	1922,99,34
b. Operating Expenses	16	**651,36,59**	542,71,40
c. Provisions & Contingencies		**377,98,37**	226,88,83
TOTAL		**3093,35,32**	2692,59,57
III. NET PROFIT FOR THE YEAR		**256,07,21**	180,23,58
Profit brought forward		**44**	8,16
Transfer from Investment Reserve		**0**	72,74
TOTAL		**256,07,65**	181,04,48
IV. APPROPRIATIONS			
a. Transfer to Statutory Reserve		**64,10,00**	45,20,00
b. Transfer to Capital Reserve		**77,16,23**	6,04,17
c. Transfer to Other Reserves		**46,55,00**	50,00,00
d. Investment Reserve		**0**	0
e. Transfer to Special Reserve u/s 36(1)(viii) of the IT Act, 1961		**6,00,00**	15,00,00
f. Proposed Dividend		**0**	53,83,85
g. Tax on Proposed Dividend		**0**	10,96,02
h. Balance carried over to Balance Sheet		**62,26,43**	44
TOTAL		**256,07,65**	181,04,48
Earnings Per Share - Basic (₹)		**14.07**	10.05
Earnings Per Share - Diluted (₹)		**13.95**	10.05

Schedules 13 to 16 and 17 to 18 form part of this Profit & Loss Account.

As per our report of even Date attached

For **M/s. R.K. KUMAR & CO**
Chartered Accountants
FRN - 001595S

G.NAGANATHAN
Partner
M. No. 022456

Chennai
26th April, 2017

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LAKSHMI VILAS BANK

CASH FLOW STATEMENT for the year ended 31st March 2017

(₹ in 000's)

	31-03-2017		31-03-2016	
CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit as per Profit & Loss Account	256,07,22		180,23,58	
ADJUSTMENTS FOR:				
Provisions & Contingencies	377,98,37		226,88,83	
Depreciation	48,05,54		37,76,28	
Loss on sale of assets	-26,45		7,92	
Income Tax / T D S paid	-125,00,00		-57,00,00	
Net cash flow before changes in Working Capital		556,84,68		387,96,61
CHANGES IN WORKING CAPITAL :				
LIABILITIES : Increase/Decrease in				
Deposits	5122,39,19		3466,74,93	
Refinances	1080,12,43		224,80,78	
Other Liabilities	-330,49,29		-170,69,28	
		5872,02,33		3520,86,43
ASSETS : Increase/Decrease in				
Investments	2106,32,57		494,24,86	
Advances	4085,17,23		3291,71,98	
Other Assets	10,30,67		12,29,14	
		-6201,80,47		-3798,25,98
Net Cash Flow from operating activities		227,06,54		110,57,06
CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	-40,62,09		-67,80,86	
Sale of Fixed Assets	65,95		32,45	
Net Cash Flow from Investing activities		-39,96,14		-67,48,41
CASH FLOW FROM FINANCING ACTIVITIES:				
Share issue including share premium	162,60,76		2,34,66	
Proceeds received from Tier II Bonds	0		140,10,00	
Repayment of Tier II Bonds	-30,00,00		-100,00,00	
Dividends paid	-64,44,64		-35,64,28	
Net Cash Flow from financing activities		68,16,12		6,80,38
Cash flow for the year		255,26,53		49,89,03
Cash & Cash equivalents at the beginning of the year		1368,61,13		1318,72,10
Cash & Cash equivalents at the year end		1623,87,65		1368,61,13

As per our report of even Date attached

For **M/s. R.K. KUMAR & CO**
Chartered Accountants
FRN - 001595S

G.NAGANATHAN
Partner
M. No. 022456

Chennai
26th April, 2017

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ANURADHA PRADEEP
SUVENDU PATI
Directors

(₹ 000's)

	As at 31-03-2017	As at 31-03-2016
SCHEDULE 1 - CAPITAL		
AUTHORISED CAPITAL		
(50,00,00,000 equity shares of ₹ 10/- each) (Previous year 30,00,00,000 equity shares of ₹ 10/ each)	500,00,00	300,00,00
ISSUED CAPITAL		
(19,29,55,124 equity shares of ₹ 10/- each) (Previous year 18,09,69,986 equity shares of ₹ 10/- each) of which 1,19,85,138 shares issued through QIP Issue)	192,95,51	180,97,00
Subscribed, Called-up and Paid Up Capital		
i) 19,14,46,747 equity shares of ₹ 10/- each (Previous year 17,94,61,609 shares of ₹ 10/- each). (1,19,85,138 shares were allotted to QIB).	191,44,67	179,46,16
ii) 1,26,42,131 Bonus Shares allotted (Previous year 1,26,42,131 shares)		
iii) Shares kept in abeyance 15,08,377,inclusive of Forfeited & lapsed shares.(Previous year 15,08,377 shares)		
iv) Shares Forfeited and lapsed 23,658 (Previous year 23,658 shares)		
TOTAL	191,44,67	179,46,16

SCHEDULE 2 - RESERVES & SURPLUS				
I. STATUTORY RESERVE				
Opening Balance	417,30,46		372,10,46	
Additions during the year	64,10,00	481,40,46	45,20,00	417,30,46
II. CAPITAL RESERVE				
Opening Balance	63,10,71		57,06,54	
Additions during the year	77,16,23	140,26,94	6,04,17	63,10,71
III. SHARE PREMIUM				
Opening Balance	657,35,89		659,62,54	
Additions during the year	155,80,68		2,05,16	
	813,16,57		661,67,70	
Deductions during the year	5,18,43	807,98,14	4,31,81	657,35,89
IV. REVENUE & OTHER RESERVES				
Opening Balance	218,17,53		167,46,49	
Additions during the year	48,78,90		50,71,04	
	266,96,43		218,17,53	
Deductions during the year	50,43,71	216,52,72	0	218,17,53
V. EMPLOYEE STOCK OPTION OUTSTANDING				
Opening Balance	0		20304	
Additions during the year	4,50,49		0	
	4,50,49		20304	
Deductions during the year	0		20304	
		4,50,49		0
VI. SPECIAL RESERVE U/S 36(1)(VIII) OF IT ACT, 1961				
Opening Balance	56,45,00		41,45,00	
Additions during the year	6,00,00	62,45,00	15,00,00	56,45,00
VII. REVALUATION RESERVE				
Opening Balance	171,73,22		78,45,67	
Additions during the year	0		93,98,59	
	171,73,22		172,44,26	
Depreciation on Revalued Asset	2,23,90	169,49,32	71,04	171,73,22
VIII. INVESTMENT RESERVE				
Opening Balance	0		72,74	
Additions during the year	0		0	
	0		72,74	
Deductions during the year	0		72,74	
		0		0
IX. BALANCE IN PROFIT & LOSS ACCOUNT		62,26,43		44
TOTAL		1944,89,50		1584,13,25

(₹ 000's)

			As at 31-03-2017		As at 31-03-2016
SCHEDULE 3 - DEPOSITS					
A. I. DEMAND DEPOSITS					
	1. From Banks	5,37,09		1,37	
	2. From Others	1839,37,21	1844,74,30	1636,44,79	1636,46,16
II. SAVINGS BANK DEPOSITS			3999,60,89		2779,06,43
III. TERM DEPOSITS					
	1. From Banks	2141,82,11		1166,35,55	
	2. From Others	22567,18,05	24709,00,16	19849,08,01	21015,43,56
			30553,35,35		25430,96,15
B. (I) DEPOSITS OF BRANCHES IN INDIA			30553,35,35		25430,96,15
(II) DEPOSITS OF BRANCHES OUTSIDE INDIA			NIL		NIL
TOTAL			30553,35,35		25430,96,15
SCHEDULE 4 - BORROWINGS					
I. BORROWINGS IN INDIA					
1.	Reserve Bank of India	65,00,00		0	
2.	Other Banks	250,00,00		0	
3.	Other Institutions & Agencies*	1458,13,21	1773,13,21	723,00,78	723,00,78
II. BORROWINGS OUTSIDE INDIA			0		0
* Includes unsecured Tier II bonds of ₹ 468.20 Crs (Previous year ₹ 498.20 Crs.)			1773,13,21		723,00,78
SECURED BORROWINGS INCLUDED IN I & II ABOVE			0		0
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS					
I.	Bills payable		66,23,14		77,85,74
II.	Inter-office adjustments (net)		48,06,44		4,40,37
III.	Interest accrued		210,56,90		224,52,38
IV.	(I) Others - (including Provisions)		369,62,84		373,90,18
	(ii) Contingent Provisions against Standard Assets		87,40,00		72,23,00
	(iii) Deferred Tax Liabilities		0		0
	TOTAL		781,89,32		752,91,67
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA					
Cash in Hand (including Foreign Currency Notes)			341,26,46		315,90,91
Balances with Reserve Bank of India					
I)	in current account		1113,54,02		970,59,31
II)	in other accounts		0		0
	TOTAL		1454,80,48		1286,50,22

(₹ 000's)

	As at 31-03-2017	As at 31-03-2016
SCHEDULE 7 - BALANCES WITH BANKS & MONEY AT CALL AND SHORT NOTICE		
I. IN INDIA		
(i) Balance with Banks		
a. in current accounts	19,78,04	20,13,46
b. in other deposit accounts	6,25	6,25
	19,84,29	20,19,71
(ii) Money at call and short notice		
a. with banks	0	0
b. with other institutions	110,00,00	0
	129,84,29	20,19,71
II. OUTSIDE INDIA		
(I) Balance with Banks		
a. in current accounts	39,22,88	61,91,20
b. in other accounts	0	0
	39,22,88	61,91,20
TOTAL	169,07,17	82,10,91
SCHEDULE 8 - INVESTMENTS		
I. INVESTMENTS IN INDIA		
I. Government Securities [incl. treasury bills, & zero coupon bonds]	7910,70,21	5849,42,86
II. Other approved securities	0	0
III. Shares	134,98,32	79,81,17
IV. Debentures & Bonds	282,32,63	355,24,60
V. Subsidiaries and Joint Ventures	0	0
VI. Others [including Commercial Paper, Mutual Funds, Security Receipt, Units, etc.]	323,71,87	260,91,83
	8651,73,03	6545,40,46
GROSS INVESTMENTS IN INDIA	8703,12,63	6594,44,56
LESS: DEPRECIATION	51,39,60	49,04,10
NET INVESTMENTS IN INDIA	8651,73,03	6545,40,46
II. INVESTMENTS OUTSIDE INDIA	NIL	NIL
TOTAL	8651,73,03	6545,40,46

(₹ 000's)

			As at 31-03-2017		As at 31-03-2016
SCHEDULE 9 - ADVANCES					
A.	I.	Bills purchased & discounted	**863,82,09**		1758,19,67
	II.	Cash credits, overdrafts & loans repayable on demand	**12796,49,91**		10678,34,05
	III.	Term loans	**10068,59,14**		7207,20,18
			23728,91,14		19643,73,90
B.	**PARTICULARS OF ADVANCES**				
	I.	Secured by tangible assets [incl. advances against Book Debts]	**23314,59,93**		18878,59,94
	II.	Covered by Bank / Govt. Guarantees	**0**		0
	III.	Unsecured	**414,31,21**		765,13,96
			23728,91,14		19643,73,90
C.	**SECTORAL CLASSIFICATION OF ADVANCES**				
	I.	Priority Sector	**8195,07,30**		7296,42,17
	II.	Public Sector	**0**		0
	III.	Banks	**0**		0
	IV.	Others	**15533,83,84**		12347,31,73
	TOTAL		**23728,91,14**		19643,73,90

SCHEDULE 10 - FIXED ASSETS						
I.	**PREMISES**					
	At cost		**64,86,41**		63,87,70	
	Addition due to Revaluvation		**175,49,12**		175,49,12	
	Additions during the year		**18,62**		98,71	
			240,54,15		240,35,53	
	Deductions during the year		**0**		0	
			240,54,15		240,35,53	
	Depreciation to date		**17,29,28**	**223,24,87**	14,49,82	225,85,71
II.	**OTHER FIXED ASSETS (INCLUDING FURNITURE & FIXTURES)**					
	At Cost		**369,01,92**		303,71,91	
	Additions during the year		**40,43,47**		66,82,14	
			409,45,39		370,54,05	
	Deductions during the year		**6,98,27**		1,52,13	
			402,47,12		369,01,92	
	Depreciation to date		**266,60,08**	**135,87,03**	227,87,76	141,14,16
	TOTAL			**359,11,90**		366,99,87

(₹ 000's)

		As at 31-03-2017	As at 31-03-2016
SCHEDULE 11 - OTHER ASSETS			
I.	Inter-Office Adjustments (net)	**0**	0
II.	Interest Accrued	**197,35,22**	163,63,88
III.	Tax Paid in Advance and Tax Deducted at Source (Net)	**133,72,89**	116,17,46
IV.	Deferred Tax Asset (net)	**65,22,16**	52,22,16
V.	Stationery & Stamps	**2,55,85**	2,42,11
VI.	Non Banking Assets acquired in satisfaction of claims	**78,25,71**	75,86,38
VII.	Others	**403,96,50**	335,40,66
	TOTAL	**881,08,33**	745,72,65
SCHEDULE 12 - CONTINGENT LIABILITIES			
I.	Claims against the Bank not acknowledged as debts	**135,50,71**	240,02,49
II.	Liability for partly paid Investments	**0**	0
III.	Liability on account of outstanding forward exchange contracts	**838,04,22**	1159,08,98
IV.	Guarantees given on behalf of constituents		
	In India	**948,97,32**	828,57,71
	Outside India	**162,92,39**	189,23,18
V.	Acceptances, Endorsements & Other Obligations	**1091,06,31**	1252,36,82
VI.	Other items for which the Bank is contingently liable	**23,14,10**	17,72,27
	TOTAL	**3199,65,05**	3687,01,45
		Year ended 31-03-2017	Year ended 31-03-2016
SCHEDULE 13 - INTEREST EARNED			
I.	Interest / discount on advances / bills	**2239,71,04**	2038,26,97
II.	Income on Investments	**577,59,37**	519,40,04
III.	Interest on balance with Reserve Bank of India & other inter-bank Funds	**12,28,33**	3,26,84
IV	Others	**17,07,01**	7,36,06
	TOTAL	**2846,65,75**	2568,29,91

(₹ 000's)

			Year ended 31-03-2017		Year ended 31-03-2016
SCHEDULE 14 - OTHER INCOME					
I.	Commission, Exchange and Brokerage		134,06,85		147,13,66
II.	Profit on sale of Investments	350,52,75		56,85,17	
	Less: Loss on sale of Investments	90,56,83	259,95,92	3,49,40	53,35,77
III	Profit on sale of land, Buildings & Other Assets	37,24		6,47	
	Less: Loss on sale of land, Buildings & Other Assets	10,79	26,45	14,39	-7,92
IV.	Profit on Exchange Transactions	13,30,28		16,64,58	
	Less: Loss on Exchange Transactions	0	13,30,28	0	16,64,58
V.	Income earned by way of Dividends from Companies in India.	3,17,52	3,17,52	2,97,33	2,97,33
VI.	Miscellaneous Income		91,99,76		84,49,82
	TOTAL		502,76,78		304,53,24
SCHEDULE 15 - INTEREST EXPENDED					
I.	Interest on Deposits		1938,16,06		1833,29,25
II.	Interest on Reserve Bank of India / Inter-Bank Borrowings		125,84,30		89,70,09
	TOTAL		2064,00,36		1922,99,34
SCHEDULE 16 - OPERATING EXPENSES					
I.	Payments to and Provision for Employees		334,70,89		275,35,20
II.	Rent, Taxes & Lighting		63,49,84		58,34,76
III.	Printing & Stationery		6,62,31		5,77,16
IV.	Advertisement & Publicity		9,64,65		8,38,43
V.	Depreciation on Bank's Property		48,05,54		37,76,28
VI.	Director's fees, allowances		1,40,00		1,15,35
VII.	Auditors' fees & Expenses (incl. Branch Auditors)		1,38,65		1,25,05
VIII.	Law Charges		2,04,35		1,16,18
IX.	Postage, Telegrams, Telephones, etc.,		12,79,85		13,36,46
X.	Repairs & Maintenance		4,36,72		3,41,22
XI.	Insurance		26,58,67		23,82,40
XII.	Other Expenditure		140,25,12		112,92,91
	TOTAL		651,36,59		542,71,40

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING:

The financial statements are prepared following the going concern concept, on historical cost basis unless otherwise stated and conform to the Generally Accepted Accounting Principles, (GAAP) in India which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI) from time to time, Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and current practices prevailing in the banking industry in India.

B. USE OF ESTIMATES:

The preparation of the financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities including contingent liabilities as of the date of the financial statements and the reported income and expenses during the reported period. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The differences, if any between estimates and actual will be dealt appropriately in future periods.

C. PRINCIPAL ACCOUNTING POLICIES

1. TRANSACTIONS INVOLVING FOREIGN EXCHANGE:

(a) Foreign Currency Assets and Liabilities are evaluated at the exchange rates prevailing at the close of the year as per the guidelines issued by FEDAI. The resultant profit or loss is accounted for.

(b) Income and Expenditure in foreign currency are translated at the exchange rates prevailing on the date of the respective transaction.

(c) Outstanding forward exchange contracts in each currency are revalued at the Balance Sheet date at the corresponding forward rates for the residual maturity of the contract, in accordance with the guidelines of FEDAI and the provisions of AS-11. The difference between revalued amount and the contracted amount is recognized as profit or loss, as the case may be.

(d) Contingent liabilities on guarantees, letters of credit, acceptances and endorsements are reported at the rates prevailing on the Balance Sheet date.

2. INVESTMENTS:

(a) Investments are categorized under the heads 'Held to Maturity', Available for Sale, and 'Held for Trading' and are valued in accordance with the guidelines of the Reserve Bank of India

(b) Brokerage / commission etc, paid in connection with the acquisition of investments is charged to revenue and not included in cost.

(c) Broken period interest paid / received on debt instruments is treated as interest expense / income.

(d) Security receipts are valued at NAV as declared by Securitisation Companies

(e) The excess of acquisition cost over the face value of securities under "Held to Maturity" category is amortised over the remaining period to maturity.

(f) Costs including brokerage and commission pertaining to investments, paid at the time of acquisition, are charged to the profit and loss account. Cost of investments is computed based on the Weighted Average Rate method.

(g) Profit / loss on sale of investments in the 'Held to Maturity' category is recognized in the profit and loss account and profit is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to capital reserve. Profit / loss on sale of investments in 'Available for Sale' and 'Held for Trading' categories is recognised in the profit and loss account.

(h) All Repo and Reverse Repo transactions are accounted for as borrowing and lending transactions respectively in accordance with the extant RBI guidelines.

3. ADVANCES:

3.1 In accordance with the prudential norms issued by RBI:

(a) Advances are classified into standard, sub-standard, doubtful and loss assets borrower-wise;

(b) Provisions are made for loan losses, and

(c) General provision for standard advances is made.

3.2 Advances disclosed are net of provisions made for non-performing assets, ECGC claims settled, part recovery towards NPA accounts receipts held under sundries, and provision made for sacrifice of interest / diminution in the value of restructured advances measured in present value terms as per RBI guidelines.

4. FIXED ASSETS AND DEPRECIATION:

(a) Fixed assets are accounted for at their historical cost except for Land and Building which are accounted at their revalued cost.

(b) Software is capitalised along with computer hardware and included under Other Fixed Assets.

(c) Depreciation on assets other than computers are provided on Straight Line Method after considering the useful life specified in Schedule II to the Companies Act, 2013 except for hand held communication devices(other than Tablets) which are depreciated in full considering the fast changing technology and obsolescence.

(d) Depreciation on computers and Software are provided for on straight-line method at the rate of 33.33% as per the guidelines issued by the Reserve Bank of India.

(e) Depreciation for premises, in which land cost and construction cost could not be ascertained separately, is provided on the total cost.

5. EMPLOYEE BENEFITS:

(a) Annual contributions to the approved Employees' Gratuity Fund, Approved Pension Fund and Provision for Leave Encashment benefits are made on actuarial basis and net actuarial gain/loss are recognised as per Accounting Standard 15. Contribution made by the bank to Provident Fund and Contributory Pension Scheme are charged to Profit & Loss account.

(b) The Bank follows the intrinsic value method to account for its employee compensation costs arising from grant of Employee Stock Options.

6. PROVISION FOR TAXATION:

Provision for taxation is made on the basis of the estimated tax liability, after due consideration of the judicial pronouncements and legal opinion, with adjustment for deferred tax in terms of the Accounting Standard 22 (Accounting for Taxes on Income).

7. REVENUE RECOGNITION:

(a) Income is accounted for on accrual basis.

(b) Interest income on non-performing advances/investments are recognized on realization basis, owing to the significant uncertainty in collection thereof:

(c) Interest on tax refund from Income Tax Department is accounted based on assessment orders received.

(d) Dividend Income on Investments is accounted based on declaration basis.

8. SEGMENT REPORTING:

(a) The Bank recognises the Business Segment as the Primary Reporting Segment and Geographical Segment as the Secondary Reporting Segment, in accordance with the RBI guidelines and in compliance with the Accounting Standard 17.

(b) Business Segment is classified into (a) Treasury (b) Corporate and Wholesale Banking, (c) Retail Banking and (d) Other Banking Operations.

(c) Geographical Segment consists only of the Domestic Segment since the Bank does not have any foreign branches.

9. EARNINGS PER SHARE:

Basic and Diluted earnings per equity share are reported in accordance with the Accounting Standard 20 "Earnings per share". Basic earnings per equity share are computed by dividing net profit by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

10. IMPAIRMENT OF ASSETS

The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

11. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

(a) As per the Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

(b) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realised.

12. NET PROFIT:

The net profit as per the Profit & Loss account is arrived at after necessary provisions towards: -

a) Taxation.
b) Advances and other assets.
c) Shortfall in the value of investments
d) Staff Retirement benefits.
e) Other usual and necessary provisions.

13. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents include cash in hand, Balance with RBI, Balance with other Banks and money at Call and Short Notice.

SCHEDULE 18

NOTES ON ACCOUNTS

1. The reconciliation of inter branch transactions has been completed up to 31.03.2017 and tallying of balances is ensured on an ongoing basis.

2. DISCLOSURE REQUIREMENTS

2.1 CAPITAL

(₹ in crore)

Items	2016-17	2015-16
i) Common Equity Tier 1 Capital Ratio (%) - (Basel-III)	**8.75**	8.69
ii) Tier 1 Capital Ratio (%)	**8.75**	8.69
iii) Tier 2 Capital Ratio (%)	**1.63**	1.98
iv) Total Capital Ratio (CRAR) (%)	**10.38**	10.67
v) Percentage of the shareholding of the Government of India in public sector bank	**NA**	NA
vi) Amount of equity capital raised	**167.79**	0.29
vii) Amount of Additional Tier 1 capital raised, of which		
PNCPS :		
PDI :	**NIL**	NIL
viii) Amount of Tier II Capital raised, of which		
Debt capital instruments	**NIL**	140.10
Preference Share Capital instruments	**NIL**	NIL

CAPITAL RAISED THROUGH QIP ISSUE

During the year 2016-17, the Bank has allotted 1,19,85,138 equity shares of face value of ₹ 10/- each at a premium of ₹ 130/ per share aggregating to ₹ 167.79 crore to Qualified Institutional Buyers.

2.1.1 In respect of securities held under HTM category, premium paid of ₹ 13.72 Crore (previous year ₹ 8.64 Crore) has been amortized during the year and debited under "Interest received on Investments".

2.2 INVESTMENTS

(₹ in crore)

Particulars	2016-17	2015-16
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	**8,703.13**	6,594.44
(b) Outside India	**NIL**	NIL
(ii) Provisions for Depreciation		
(a) In India	**51.40**	49.04
(b) Outside India	**NIL**	NIL
(iii) Net Value of Investments		
(a) In India	**8,651.73**	6,545.40
(b) Outside India.	**NIL**	NIL

2.2 INVESTMENTS (Contd.) (₹ in crore)

Particulars	2016-17	2015-16
(2) Movement of provisions held towards Depreciation on investments.		
(i) Opening balance	**49.04**	41.69
(ii) Add: Provisions made during the year	**2.36**	8.65
(iii) Less: Write-off / write-back of excess provisions during the year	**0.00**	1.30
(iv) Closing Balance	**51.40**	49.04

2.2.1 Repo Transactions (in face value terms) (₹ in crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	**Outstanding As on March 31, 2017**
Securities sold under repo				
I. Government Securities	0.00 (10.40)	3085.69 (676.00)	521.86 (295.83)	**321.87** **(312.00)**
II. Corporate debt Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	**Nil** **(Nil)**
Securities purchased under reverse repo				
I. Government Securities	0.00 (10.40)	1580.80 (234.00)	175.62 (27.67)	**110.00** **(234.00)**
II. Corporate debt Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	**Nil** **(Nil)**

(Figures in bracket indicates in previous year)

2.2.2 Non-SLR Investment Portfolio

i) Issuer composition of Non SLR investments: (₹ in crore)

No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	27.14	25.67	0.00	0.00	0.00
2	FIs	51.82	6.00	0.00	0.00	0.00
3	Banks	40.95	28.00	0.00	0.00	0.00
4	Private Corporates	336.28	238.06	11.93	11.93	31.93
5	Subsidiaries/ Joint Ventures	0.00	0.00	0.00	0.00	0.00
6	Others	336.24	266.08	0.00	0.00	0.00
7	Less: Provision held towards depreciation	-51.40	–	–	–	–
	Total	**741.03**	**563.81**	**11.93**	**11.93**	**31.93**

Amounts reported under Columns 4, 5, 6 and 7 above may not be mutually exclusive.

ii) Non-performing Non-SLR investments : (₹ in crore)

Particulars	2016-17	2015-16
Opening balance	10.05	10.78
Additions during the year since 1st April	20.83	1.27
Reductions during the above period	3.12	2.00
Closing balance	27.76	10.05
Total Provisions held (*)	14.07	9.11

(*) An amount of ₹ 0.94 Crore (PY ₹ 0.94 Crore) received towards part settlement is parked under sundries account.

2.2.3 Sale and transfers to / from HTM category:

During the year the book value of securities sold under HTM category exceeds 5% of the book value of investments held in HTM category as at the beginning of the year. The details of HTM category as on 31.03.2017 are furnished hereunder:

(₹ in crore)

Market Value	5,118.61
Book value	5,139.53
Excess of book value over market value for which Provision is not made	20.92

2.3 Derivatives

2.3.1 Forward Rate Agreement / Interest Rate Swap:

(₹ in crore)

Particulars	2016-17	2015-16
i) The notional principal of swap agreements	NIL	NIL
ii) Losses which would be incurred if counter parties failed to fulfill obligations under the agreements	NIL	NIL
iii) Collateral required by the bank upon entering into swaps	NIL	NIL
iv) Concentration of credit risk arising from the swaps	NIL	NIL
v) The fair value of the swap book	NIL	NIL

2.3.2 Exchange Traded Interest Rate Derivatives:

(₹ in crore)

S.No.	Particulars	2016-17	2015-16
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	NIL	NIL
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2017 (instrument-wise)	NIL	NIL
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL

2.3.3 Disclosures on risk exposure in derivatives

Qualitative Disclosure:

The only derivatives dealt by the bank in the foreign exchange market is Forward Contracts. Forward contracts are being used to hedge / cover the exposure in foreign exchange arising out of merchant transaction and trading positions.

To cover the risk arising out of the above derivatives, various limits like IGL, AGL and Stop Loss Limits have been prescribed in the Treasury Policy of the Bank, which are monitored by mid-office. The mark-to-market values are monitored on monthly basis for Foreign Exchange Forward Contracts. The operations are conducted in terms of the policy guidelines issued by RBI from time to time.

Quantitative Disclosures: (₹ in crore)

Sl. No.	Particular	Currency Derivatives		Interest rate Derivatives	
		2016-17	2015-16	2016-17	2015-16
(i)	Derivatives (Notional Principal Amount)	NA	NA	NA	NA
	a) For hedging	NA	NA	NA	NA
	b) For trading	NA	NA	NA	NA
(ii)	Marked to Market Positions	NA	NA	NA	NA
	a) Asset (+)	NA	NA	NA	NA
	b) Liability (-)	NA	NA	NA	NA
(iii)	Credit Exposure	NA	NA	NA	NA
(iv)	Likely impact of one percentage change in interest rate (100*PV01)	NA	NA	NA	NA
	a) On hedging derivatives	NA	NA	NA	NA
	b) On trading derivatives	NA	NA	NA	NA
(v)	Maximum and Minimum of 100*PV01 observed during the year	NA	NA	NA	NA
	a) On hedging	NA	NA	NA	NA
	b) On trading	NA	NA	NA	NA

2.3.4 Shifting of securities:

For the year ended 31.03.2017, Bank has shifted securities amounting to ₹ 903 Crore (Face Value) (Previous year ₹ 639.28 Crore Face Value) from HTM to AFS category and no loss arose on such transfer (Previous year - no loss).

2.3.5 SLR Securities:

(₹ in crore)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Book Value	Market Value	Book Value	Market Value
Government Securities SLR (CG, SG,TB)	7,910.70	7,891.67	5,849.43	5,877.23
Approved securities - SLR	0.00	0.00	0.00	0.00

2.4 Asset Quality

2.4.1 Non-Performing Assets:

(₹ in crore)

	Particulars	2016-17	2015-16
(i)	Net NPAs to Net Advances (%)	1.76%	1.18%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	391.25	454.62
	(b) Additions during the year	597.20	196.90
	(c) Reductions during the year	348.26	260.27
	(d) Closing balance	640.19	391.25
(iii)	Movement of Net NPAs		
	(a) Opening balance	231.64	302.49
	(b) Additions during the year	500.04	166.32
	(c) Reductions during the year	313.26	237.17
	(d) Closing balance	418.42	231.64
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	113.47	116.35
	(b) Provisions made during the year	194.55	94.95
	(c) Write-off/ write-back of excess provisions	137.59	97.83
	(d) Closing balance	170.43	113.47

2.4.2 Particulars of Accounts Restructured:

Disclosure of Restructured Accounts (₹ in crore)

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1.	Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	8	0	0	0	8	3	0	0	0	3	13	3	9	17	42	24	3	9	17	53
		Amount outstanding	428.63	0.00	0.00	0.00	428.63	3.83	0.00	0.00	0.00	3.83	228.05	97.02	88.78	56.13	469.98	660.51	97.02	88.78	56.13	902.47
		Provision thereon	10.04	0.00	0.00	0.00	10.04	0.03	0.00	0.00	0.00	0.03	0.35	1.30	0.09	0.00	1.74	10.42	1.30	0.09	0.00	11.81
2.	Fresh restructuring/ Additional facilities during the year *	No. of borrowers	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	1	0	0	0	1
		Amount outstanding	25.90	0.00	0.00	0.00	25.90	0.12	0.00	0.00	0.00	0.12	25.34	0.00	0.00	0.00	25.34	51.36	0.00	0.00	0.00	51.36
		Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.	Upgradations to restructured standard category during the FY	No. of borrowers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Amount outstanding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	1	0	0	0	1	0	0	0	0	0	3	0	0	0	3	4	0	0	0	4
		Amount outstanding	32.55	0.00	0.00	0.00	32.55	0.00	0.00	0.00	0.00	0.00	31.22	0.00	0.00	0.00	31.22	63.77	0.00	0.00	0.00	63.77
		Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.00	0.30	0.30	0.00	0.00	0.00	0.30

Disclosure of Restructured Accounts (Contd.)

(₹ in crore)

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification	Details	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
5.	Down gradations of restructured accounts during the FY	No. of borrowers	-1	0	1	0	0	-1	1	0	0	0	-3	1	2	0	0	-5	2	3	0	0
		Amount outstanding	-45.65	0.00	45.65	0.00	0.00	-0.97	0.97	0.00	0.00	0.00	-44.28	-36.96	81.24	0.00	0.00	-90.90	-35.99	126.89	0.00	0
		Provision thereon	-0.88	0.00	0.88	0.00	0.00	-0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.89	0.01	0.88	0.00	0
6.	Write-offs/ recovery of restructured accounts during the FY **	No. of borrowers	0	0	0	0	0	1	0	0	0	1	1	1	3	10	15	2	1	3	10	16
		Amount outstanding	48.33	0.00	0.00	0.00	48.33	2.28	0.01	0.00	0.00	2.29	10.38	15.77	39.62	0.02	65.8	60.99	15.78	39.62	0.02	116.41
7.	Restructured Accounts as on March 31 of the FY (closing figures***)	No. of borrowers	6	0	1	0	7	2	1	0	0	3	6	3	8	7	24	14	4	9	7	34
		Amount outstanding	328.00	0.00	45.65	0.00	373.65	0.70	0.96	0.00	0.00	1.66	167.55	44.28	130.40	56.11	398.34	496.25	45.24	176.05	56.11	773.65
		Provision thereon	3.50	0.00	0.88	0.00	4.38	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.86	0.00	0.86	3.50	0.01	1.74	0.00	5.25

Provision thereon does not include Standard Account additional provision of ₹ 19.26 crore (including investment under CDR package) and FITL provision of ₹ 33.25 crore.

* 2 accounts under SDR amounting to ₹ 88.77 crores has been excluded in opening balance and reported in a separate disclosure is furnished

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

** Out of ₹ 51.36 Crore, ₹ 0.12 Crore relates to 1 fresh restructured account and ₹ 51.24 crore relates to additional facilities /limits /increase to the existing restructured accounts during the year.

*** Out of ₹ 116.41 Crore, ₹ 63.72 Crore by way of recovery / sale of assets & write-offs (5 accounts by way of recovery / sale amounting to ₹ 63.70 crore & 11 accounts by way of write-offs amounting to ₹ 0.02 crore) and ₹ 52.69 crore relates to partial recovery in existing restructured accounts.

2.4.3 Details of financial assets sold to Securitization / Reconstruction Company for Asset Reconstruction

(A) Details of Sales: (₹ in crore)

	Particulars	2016-17	2015-16
(i)	No. of accounts	1390	13
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC	106.22	166.25
(iii)	Aggregate consideration	95.64	67.53
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	0.00	0.00
(v)	Aggregate profit / (loss) over net book value.	(10.58)	(98.72)

(B) NPA Assets Sold to ARC: (₹ in crore)

Particulars	Backed by NPAs sold by the bank as underlying		Backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Book value of investments in security Receipts as at 31st March	343.41	279.20	6.01	8.08	349.42	287.28

2.4.4 Details of non-performing financial assets purchased / sold:

A. Details of non-performing financial assets purchased: (₹ in crore)

		Particulars	2016-17	2015-16
1	(a)	No. of accounts purchased during the year	NIL	NIL
	(b)	Aggregate outstanding	NIL	NIL
2	(a)	Of these, number of accounts restructured during the year	NIL	NIL
	(b)	Aggregate outstanding	NIL	NIL

B. Details of non-performing financial assets sold: (₹ in crore)

Particulars	2016-17	2015-16
1. No. of accounts sold	NIL	NIL
2. Aggregate outstanding	NIL	NIL
3. Aggregate consideration received	NIL	NIL

C. Disclosure regarding amortization of Loss on sale of assets to ARCs

As permitted by RBI, the bank has opted to provide for the net shortfall on account of sale of assets to Reconstruction Companies over a period of eight / four quarters. Consequently, ₹ 74.90 Crore has been charged to the Profit & Loss account for the year ended 31st March 2017. The unamortised amount on this account as on 31st March 2017 is ₹ 31.29 crore and is debited to 'Other Reserves" and credited to 'Other Provisions', as per RBI guidelines vide no.DBR.No.BP.BC.102/21.04.048/2015-16 dated 13.06.2016.

2.4.5 Provisions on Standard Assets: (₹ in crore)

Particulars	2016-17	2015-16
Provisions towards Standard Assets	87.40	72.23

2.5 Business Ratios:

Particulars		2016-17	2015-16
(i)	Interest Income as a percentage to Working Funds	**9.17**	9.89
(ii)	Non-interest income as a percentage to Working Funds	**1.62**	1.17
(iii)	Operating Profit as a percentage to Working Funds	**2.04**	1.57
(iv)	Return on Assets	**0.83**	0.69
(v)	Business (Deposits plus advances) per employee (₹ in crore)	**11.46**	10.99
(vi)	Profit per employee (₹ in crore)	**0.06**	0.04

2.6 Asset Liability Management:

Maturity pattern of certain items of assets and liabilities (₹ in crore)

Items	1 Day	2 to 7 days	8 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	314.08	993.81	1331.99	897.29	4265.39	2874.70	4143.65	9055.68	1256.40	5420.36	30553.35
	(280.17)	(525.09)	(793.08)	(579.69)	(2843.73)	(2342.24)	(4063.93)	(8252.73)	(1740.28)	(4010.02)	(25430.96)
Advances (Net)	333.26	478.90	973.86	495.46	3663.32	862.32	2128.78	10159.41	1416.15	3217.44	23728.91
	(230.48)	(461.11)	(262.48)	(629.64)	(1879.01)	(1195.63)	(3212.66)	(7465.78)	(1292.61)	(3014.34)	(19643.74)
Investments (Net)	80.66	130.62	0.13	0.00	116.91	109.40	116.10	310.64	426.28	7360.99	8651.73
	(82.71)	(68.81)	(74.61)	(74.50)	(100.07)	(30.01)	(14.59)	(482.57)	(519.14)	(5098.40)	(6545.41)
Borrowings	250.00	921.60	0.00	0.00	0.00	0.00	332.83	0.00	50.50	218.20	1773.13
	(0.00)	(24.81)	(0.00)	(0.00)	(30.00)	(0.00)	(0.00)	(399.50)	(0.00)	(268.70)	(723.01)
Foreign Currency Assets	59.42	0.85	6.43	10.60	22.68	7.30	6.61	0.00	0.00	0.00	113.89
	(90.57)	(0.13)	(5.41)	(7.24)	(26.25)	(16.41)	(11.41)	(0.00)	(0.00)	(0.00)	(157.42)
Foreign Currency Liabilities	23.69	1.37	0.11	0.28	1.94	3.39	6.54	20.64	21.95	0.00	79.89
	(31.27)	(0.00)	(0.00)	(0.10)	(6.94)	(6.63)	(13.17)	(12.96)	(25.09)	(0.00)	(96.16)

(Figures in brackets indicates in previous year).

The above data has been compiled by the management on the basis of the guidelines of RBI which have been relied upon by Auditors

2.7 Exposures

2.7.1 Exposure to Real Estate Sector: (₹ in crore)

Category		2016-17	2015-16
a)	Direct exposure		
	(i) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans eligible for inclusion in priority sector advances may be shown separately).	**499.97**	410.93
	(ii) Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	**1540.75**	1476.78

2.7.1 Exposure to Real Estate Sector (Contd.) (₹ in crore)

Category	2016-17	2015-16
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
(a) Residential	**0.00**	0.00
(b) Commercial Real Estate	**0.00**	0.00
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	**129.21**	47.95
Total Exposure to Real Estate Sector	**2169.93**	1935.66

2.7.2 Exposure to Capital Market: (₹ in crore)

Particulars	2016-17	2015-16
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	**131.78**	69.97
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	**NIL**	NIL
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	**107.25**	5.88
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds/convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	**NIL**	NIL
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	**30.00**	10.00
(vi) Loans sanctioned to corporates against the security of shares / bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	**NIL**	NIL
(vii) Bridge loans to companies against expected equity flows / issues;	**NIL**	NIL
(viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	**NIL**	NIL
(ix) Financing to stockbrokers for margin trading;	**NIL**	NIL
(x) All exposures to Venture Capital Funds (both registered and unregistered)	**NIL**	NIL
Total Exposure to Capital Market	**269.03**	85.85

2.7.3 Risk Category wise Country Exposure: (₹ in crore)

Risk Category	Exposure (net) as at 31.3.2017	Provision held as at 31.3.2017	Exposure (net) as at 31.3.2016	Provision held as at 31.3.2016
Insignificant	79.73	NIL	140.87	NIL
Low	26.29	NIL	72.59	NIL
Moderate	12.06	NIL	3.52	NIL
High	0.00	NIL	0.00	NIL
Very High	0.00	NIL	0.00	NIL
Restricted	0.00	NIL	0.00	NIL
Off-credit	0.00	NIL	0.00	NIL
Total	118.08	NIL	216.98	NIL

As the bank's exposure for the year in respect of risk category wise country exposure (Foreign exchange transactions) is less than 1% of total assets of the bank, no provision is considered necessary.

2.7.4 Details of Single Borrower Limit (SBL)/ Group Borrower Limit (GBL) exceeded by the bank.

A. SBL exceeded by the Bank for the period 01/04/2016 to 31/03/2017 ----- NIL (PY NIL)

B. GBL exceeded by the Bank for the period 01/04/2016 to 31/03/2017 ----- NIL (PY NIL)

2.7.5 Unsecured Advances (Amount of Advances for which, intangible securities has been taken): (₹ in crore)

Particulars	As on 31-3-2017	As on 31-3-2016
The total amount of Advances for which intangible Securities such as charge over the rights, licenses, Authority etc. has been taken.	21.91	26.72
Estimated value of such intangible collaterals	66.80	81.47

2.8 Miscellaneous

2.8.1 Disclosure of Penalties imposed by RBI:

During the year, Reserve Bank of India has imposed a monetary penalty of ₹ 3.00 crore for contravention of instructions relating to extending bill discounting facilities to non constituents and walk in customers, opening and operation of current accounts and non adherence of KYC norms.

RBI has imposed a total penalty of ₹ 7600 on account of Counterfeit Notes detected in currency chest transactions.

3. Disclosure in terms of Accounting Standards:

3.1 Accounting Standard 5: Net Profit or Loss for the period, prior period items and changes in Accounting Policies:

There are no material prior period income and expenditure included in the Profit & Loss account, which requires a disclosure as per Accounting Standard 5

There has been no change in the Accounting policies followed by the bank during the year ended 31.03.2017 as compared to those in the preceding financial year ended 31.03.2016.

3.2 Accounting Standard 9: Revenue Recognition:

Bank is following accrual method of accounting and hence no disclosure is warranted under Accounting Standard 9

3.3 Disclosure in terms of AS 10 - Fixed Assets (Revaluation of Premises):

In accordance with banks stated policy, revaluation of the premises in its fixed assets portfolio was carried out during the years 2010-11 & 2015-16 by the bank using the services of Banks approved empanelled Independent valuers. Appreciation arising out of such revaluation was accounted with corresponding credit to Revaluation Reserves. The details are as under

(₹ in crore)

Original Cost of Premises	65.05
Incremental Value on account of revaluation made in 2011 - ₹ 81.51 Incremental Value on account of revaluation made in 2016 - ₹ 93.98	175.49
Depreciation on Original Cost - ₹ 11.29 Depreciation on Revalued Cost - ₹ 6.00	17.29
Written Down Value of such revalued assets	223.25

3.4 Accounting Standard 15 - Employee Benefits:

3.4.1 The bank is following Accounting Standard 15 (Revised 2005) "Employee Benefits" as under:

In respect of contributory plans viz.- Provident Fund and Contributory Pension Scheme, the bank pays fixed contribution at pre-determined rates to a separate entity, which invests in permitted securities. The obligation of the bank is limited to such fixed contribution.

In respect of Defined Benefit Plans, viz. Gratuity and pension as well as for leave encashment, provision has been made based on actuarial valuation as per the guidelines.

The summarized position of Post-employment benefits and long term employee benefits recognized in the profit and loss account and balance sheet as required in accordance with the **Accounting Standard -15 (Revised)** are as under:

I. Principal Actuarial Assumptions at the Balance Sheet Date:

(Expressed as weighted Averages)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Discount Rate	7.50%	7.50%	7.50%
Expected Rate of return on Plan Assets	8.84%	8.00%	NA

II. Change in the Present value of obligations: (₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Present Value of obligations as at the beginning of the year	66.02	269.68	41.65
Interest Cost	4.60	18.59	2.93
Current Service Cost	5.16	86.60	6.72
Past service cost (non-vested benefits)	0.00	0.00	0.00
Past service cost (vested benefits)	0.00	0.00	0.00
Benefits Paid	9.40	43.73	5.12
Actuarial loss/(gain) on obligation (balancing figure)	5.43	(36.29)	0.63
Present Value of obligations as at the year end	71.81	294.85	46.82

III. Change in Fair Value of Plan Asset: (₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Fair value of Plan Assets at the beginning of the year	70.66	243.82	0.00
Expected return on Plan Assets	6.25	19.51	0.00
Employer's Contribution	0.00	70.33	0.00
Benefits Paid	9.40	43.73	5.12
Actuarial loss / (gain) on plan assets (balancing figure)	(0.09)	(0.06)	0.00
Fair Value of Plan Asset at the end of the year	67.41	289.86	0.00

IV. Actual Return on Plan Assets: (₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Expected return on plan assets	6.25	19.51	0.00
Actuarial gain / (loss) on plan assets	(0.09)	(0.06)	0.00
Actual return on plan assets	6.15	19.44	0.00

V. Actuarial Gain / Loss recognized: (₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Actuarial gain / (loss) for the Period - Obligation	5.43	(36.29)	0.63
Actuarial gain / (loss) for the Period - Plan Assets	(0.09)	(0.06)	0.00
Total (gain) / loss for the period	5.33	(36.35)	0.63
Actuarial (gain) / loss recognized in the period	5.52	(36.23)	0.63
Unrecognized actuarial (gain) / loss at the end of the year	0.00	0.00	0.00

VI. Amount recognized in Balance Sheet: (₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Present value of the Obligation	71.81	294.85	46.82
Fair value of plan assets	67.41	289.86	–
Difference	(4.40)	(4.99)	46.82
Unrecognized Transitional liability	0.00	0.00	0.00
Unrecognized past service cost (non vested benefits)	0.00	0.00	0.00
Liability recognized in the Balance Sheet	(4.40)	(4.99)	46.82

VII. Expenses Recognized in Profit & Loss Account: (₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Current Service Cost	5.16	86.60	6.72
Interest Cost	4.60	18.59	2.93
Expected return on Plan assets	6.25	19.51	–
Net actuarial (gain)/loss recognised in the year	5.52	(36.23)	0.63
Transitional Liability recognized in the year	–	–	–
Past service cost (non-vested benefits)	–	–	–
Past service cost (vested benefits)	–	–	–
Expenses Recognized in Profit & Loss Account	9.04	49.45	10.29

VIII. Movements in the Liability Recognized in the balance Sheet (₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Opening net Liability	(4.63)	25.86	41.65
Opening amount determined under para 55 of AS15R	–	–	–
Expense as Above	9.04	49.45	10.29
Contribution paid	–	70.33	–
Closing Net Liability	4.40	4.99	10.29

IX. Amount for the Current Period: (₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Present value of Obligation	71.81	294.85	46.82
Plan Assets	67.41	289.86	–
Surplus / (Deficit)	(4.40)	(4.99)	46.82
Experience adjustments on Plan Liabilities - (loss) / gain	0.00	0.00	0.00
Experience adjustments on Plan Assets - (loss) / gain	0.00	0.00	0.00

X. Major categories of Plan Assets: **(As % of Total Plan Assets)**

Particulars	Gratuity (Funded)	Pension (Funded)
Government of India Securities	64.71	34.91
High Quality Corporate Bonds	22.40	19.92
Equity Share of listed companies	0.00	0.00
Property	0.00	0.00
Special Deposit Scheme	1.43	0.00
Equity Mutual fund	0.65	0.00
Balance with Bank Account	3.26	0.56
Balance held at LIC India's Running account	0.00	23.58
Annuity under Return of Purchase Price	0.00	18.06
Amount Receivable from Bank	5.89	1.64
Others (Interest Receivables)	1.66	1.33
Total	100.00	100.00

XI. Enterprises Best Estimate: (₹ in crore)

Particulars	Gratuity	Pension	Leave Encashment
Enterprise's Best Estimate of Contribution during next year	6.71	18.96	0.00

3.5 Employee Stock Option Scheme:

As on 31.03.2016, number of options in force are nil. The Compensation Committee of the Board of Directors has granted in aggregate 3210190 stock options on various dates to employees including top Executives of the Bank under the Lakshmi Vilas Bank Employees Stock Option Scheme 2010 - LVB ESOS 2010. As on 31st March, 2017, the options in force are 3099708. These options would vest over a period of 2 to 3 years and the Bank has provided a sum of ₹ 4.50 crore towards proportionate compensation expenses for the year ended 31st March 2017.

3.6 Accounting Standard 17 - Segment Reporting:

PART A : BUSINESS SEGMENTS (₹ in crore)

Particulars	Year ended 31-3-2017 (Audited)	Year ended 31-3-2016 (Audited)
1. **SEGMENT REVENUE** :		
a. Treasury operations	**866.31**	595.64
b. Corporate / wholesale banking operations	**933.22**	860.19
c. Retail banking operations	**1522.62**	1403.47
d. Other banking operations	**27.27**	13.53
TOTAL	**3349.42**	2872.83
2. **SEGMENT RESULTS** (Operating Profit):		
a. Treasury operations	**310.42**	101.89
b. Corporate / wholesale Banking operations	**129.04**	115.48
c. Retail banking operations	**170.68**	178.98
d. Other banking operations	**23.92**	10.77
TOTAL	**634.06**	407.12
OPERATING PROFIT	**634.06**	407.12
PROVISIONS OTHER THAN TAX	**253.98**	176.89
PROFIT BEFORE TAX	**380.07**	230.24
Less : Tax expenses	**124.00**	50.00
NET PROFIT	**256.07**	180.24
3. **CAPITAL EMPLOYED :**		
a. Treasury operations	**103.31**	534.61
b. Corporate/wholesale banking operations	**315.47**	217.09
c. Retail banking operations	**1179.80**	514.68
d. Unallocated Assets	**537.76**	497.21
TOTAL	**2136.34**	1763.59

PART B - GEOGRAPHICAL SEGMENTS : Since the Bank is having domestic operations only, no reporting is made under international segment.

Previous period's figures have been regrouped, wherever necessary to conform to the current period's classification.

3.7 Accounting Standard 18 - Related Party Disclosures:

Payment to and Provision for Employees includes remuneration paid to Key Managerial Persons of the Bank for the period from 01/04/2016 to 31/03/2017, as detailed below:

S. No.	Name	Designation
1	Mr. Parthasarathi Mukherjee	Managing Director
2	Mr. N.S. Venkatesh (from 01.07.2016 onwards)	Executive Director & CFO
3.	Mr. M. Palaniappan (01.04.2016 to 31.10.2016)	Chief Financial Officer
4	Mr. N. Ramanathan	Company Secretary

(₹ in crore)

Items / Related Party	Parent (as per ownership or control)	Subsidiaries	Associates / Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Total
Borrowings	NIL	NIL	NIL	NIL	NIL	NIL
Deposits	NIL	NIL	NIL	NIL	NIL	NIL
Placement of Deposits	NIL	NIL	NIL	NIL	NIL	NIL
Advances	NIL	NIL	NIL	NIL	NIL	NIL
Investments	NIL	NIL	NIL	NIL	NIL	NIL
Non-Funded Commitments	NIL	NIL	NIL	NIL	NIL	NIL
Leasing / HP arrangements provided	NIL	NIL	NIL	NIL	NIL	NIL
Leasing / HP arrangements availed	NIL	NIL	NIL	NIL	NIL	NIL
Purchase of Fixed Assets	NIL	NIL	NIL	NIL	NIL	NIL
Sale of Fixed Assets	NIL	NIL	NIL	NIL	NIL	NIL
Interest Paid	NIL	NIL	NIL	NIL	NIL	NIL
Interest Received	NIL	NIL	NIL	NIL	NIL	NIL
Rendering of Services	NIL	NIL	NIL	NIL	NIL	NIL
Receiving of Services	NIL	NIL	NIL	1.70	NIL	1.70
Management Contracts	NIL	NIL	NIL	NIL	NIL	NIL

3.8 Accounting Standard 20 - Earnings per Share (EPS):

EPS calculation in accordance with the AS-20 issued by the ICAI is as under:

Particulars	2016-17	2015-16
Net profit after Tax (₹ In Crore)	256.07	180.24
Weighted Average - No. of Equity shares	181,992,723	179,364,546
Weighted Average - No. of Diluted Equity shares	183,513,537	179,364,546
Earnings per share - Basic (₹)	14.07	10.05
Earnings per share - Diluted (₹)	13.95	10.05

3.9 Accounting Standard 22 - Accounting for Taxes on Income:

The bank has accounted for Income Tax in compliance with AS 22. Accordingly, Deferred Tax Assets & Liabilities are recognized. The major components of DTA / DTL are furnished as under:

(₹ in crore)

Particulars	Deferred Tax Assets		Deferred Tax Liabilities	
Deferred Tax Components	**2016-17**	2015-16	**2016-17**	2015-16
Provision for leave encashment	**16.20**	14.41	**0.00**	0.00
Depreciation on fixed assets	**0.00**	0.00	**7.72**	8.95
Provision for other assets	**24.23**	19.88	**0.00**	0.00
Provision for advances	**97.66**	79.02	**0.00**	0.00
Special Reserve u/s 36(i)(viii)	**0.00**	0.00	**21.61**	19.54
Depreciation in market value of investments	**0.00**	0.00	**33.49**	0.00
Others	**0.81**	0.59	**10.86**	33.19
CLOSING BALANCE	**138.90**	113.90	**73.68**	61.68
Net DTA	**65.22**	52.22		

3.10 Intangible Assets AS 26:

The Bank has followed AS 26 - Intangible asset issued by ICAI and the guidelines issued by the RBI in this regard.

3.11 Accounting Standard 28 - Impairment of Assets:

A substantial portion of the bank's assets comprises financial assets to which Accounting Standard 28 is not applicable. In the opinion of the bank management, there is no impairment of other assets as at 31st March 2017 requiring recognition in terms of the said standard.

3.12 Details of movement in provisions in accordance with Accounting Standard 29:

(₹ in Crore)

Particulars	Opening as on 01.04.2016	Provision made during the year	Provision reversed / adjusted	**Closing as on 31.03.2017**
Prov. for Standard Assets	72.23	15.17	0.00	**87.40**
Prov. for Bad and Doubtful debts	113.47	194.55	137.59	**170.43**
Prov. for Income Tax	233.85	137.00	0.00	**370.85**
Prov. for depreciation in market value of Investments	49.04	2.36	0.00	**51.40**
Prov. for Other assets	3.91	0.06	0.19	**3.78**
Counter cyclical buffer	14.71	0.00	0.00	**14.71**
Prov. for Interest Tax	0.10	0.00	0.00	**0.10**
Prov. for Fringe Benefit Tax	1.90	0.00	0.00	**1.90**
Prov. for Dividend (incl. Div. Tax)	64.80	0.00	64.80	**0.00**
Prov. for Restructured Advances & FITL	105.28	0.33	0.00	**105.61**
Provision for Foreign Currency Unhedged	1.70	0.57	0.00	**2.27**

4. Additional Disclosures:

4.1 Provisions and Contingencies: Break up of 'Provisions & Contingencies' shown under the head Expenditure in Profit & Loss Account

(₹ in crore)

Particulars	2016-17	2015-16
Provision towards Standard Asset	15.17	17.00
Provision towards NPA	235.49	176.76
Provision for MAT Credit	0.00	-19.00
Provision for depreciation in market value of Investments	2.36	8.65
Provision for Restructured Advances (Economic sacrifice) & FITL	0.33	-7.38
Provision for Foreign Currency Unhedged	0.57	0.40
Provision for Other Assets	0.06	0.46
Sub Total	253.98	176.89
Provision for Income Tax (Net of deferred tax)	124.00	50.00
Total	377.98	226.89

4.2 Movement of Counter Cyclical Provisioning Buffer:

(₹ in crore)

Particulars	2016-17	2015-16
(a) Opening balance in the account	14.71	14.71
(b) Provision made in the accounting year	0.00	0.00
(c) Amount of drawdown made during the accounting year	0.00	0.00
(d) Closing balance in the account	14.71	14.71

4.3 Draw Down from Reserves:

The QIP issue expenses of ₹ 5.18 crore have been amortized against share premium received. The net proceeds was utilized to lend, for general corporate purposes and to enhance bank's capital adequacy ratio.

The bank has transferred a sum of ₹ 2.24 Crore being the depreciation on revalued portion of premises directly to General Reserve.

A sum of ₹ 31.29 crore and ₹ 19.15 crore, being the unamortized amount of loss on sale of advances to asset reconstruction company and loss on frauds in advances account respectively, have been debited to other reserves as per RBI guideline vide no.DBR.NO.BP.BC.102/21.04.048/2015-16 dated 13.06.2016.

4.4 Disclosure of complaints (As compiled by Management):

A. Customer Complaints:

(a)	No. of complaints pending at the beginning of the year	2
(b)	No. of complaints received during the year	370
(c)	No. of complaints redressed during the year	372
(d)	No. of complaints pending at the end of the year	0

ATM complaints through Dispute Management Systems (DMS)- NPCI

(a)	No. of complaints pending at the beginning of the year	26
(b)	No. of complaints received during the year	1248
(c)	No. of complaints redressed during the year	1265
(d)	No. of complaints pending at the end of the year	9

B. Awards passed by the Banking Ombudsman:

(a)	No. of unimplemented Awards at the beginning of the year	0
(b)	No. of Awards Passed by the Banking Ombudsmen during the year	0
(c)	No. of Awards implemented during the year	0
(d)	No. of unimplemented Awards at the end of the year	0

4.5 Disclosure of Letters of Comfort (LOCs) issued by Banks:

(₹ in crore)

Particulars	Amount
Letters of comfort issued in earlier years and outstanding as on 01-04-2016	16.94
Add; Letters of Comfort issued during FY 2016-17	0.00
Less: Letters of Comfort expired during FY 2016-17	5.37
Letters of Comfort Outstanding as on 31-03-2017	11.57

4.6 Provisioning Coverage ratio:

The provision coverage ratio of the Bank as on 31.03.2017 is 59.51%.

4.7 Bancassurance Business:

Fees, remuneration received from Bancassurance business:

For the year ended 31.03.2017, the bank received Gross Commission income of ₹ 9.77 Crore from Bancassurance business, of which ₹ 7.53 Crore from life insurance segment and ₹ 2.24 Crore from general insurance segment.

4.8 Concentration of Deposits, Advances, Exposures and NPAs:

4.8.1 Concentration of Deposits:

(₹ in crore)

Total Deposits of twenty largest depositors	5,430.12
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	17.77%

4.8.2 Concentration of Advances:

(₹ in crore)

Total Advances to twenty largest borrowers	2,966.50
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	11.34%

4.8.3 Concentration of Exposures:

(₹ in crore)

Total Exposure to twenty largest borrowers/customers	3,155.31
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers /customers	11.71%

4.8.4 Concentration of NPAs:

(₹ in crore)

Total Exposure to top four NPA accounts	258.76

4.9 Sector-wise Advances (As compiled by Management):

(₹ in crore)

Sl. No.	Sector	2016-2017			2015-2016		
		O/s Total Advances	Gross NPA	% of Gross NPAs to Total Advances in that Sector	O/s Total Advances	Gross NPA	% of Gross NPAs to Total Advances in that Sector
(A)	**Priority Sector**						
1.	Agriculture and allied activities	**3553.27**	**20.49**	**0.58%**	3065.60	14.54	0.47%
2.	Industries	**1347.69**	**67.01**	**4.97%**	1440.65	35.62	2.47%
3.	Services	**2707.25**	**60.65**	**2.24%**	2368.40	31.82	1.34%
4.	Personal Loans	**558.35**	**2.31**	**0.41%**	448.08	8.85	1.98%
	Sub Total (A)	**8166.56**	**150.46**	**1.84%**	7322.73	90.83	1.24%
(B)	**Non Priority Sector**						
1.	Agriculture and allied activities	**227.81**	**0.00**	**0.00**	0.00	0.00	0.00
2.	Industries	**4001.24**	**287.80**	**7.19%**	3463.91	206.74	5.97%
3.	Services	**4729.35**	**63.04**	**1.33%**	4827.79	65.14	1.35%
4.	Personal Loans	**3067.36**	**38.79**	**1.26%**	2172.17	4.93	0.23%
5.	Others	**3766.14**	**100.11**	**2.63%**	2032.33	23.61	1.16%
	Sub Total (B)	**15791.90**	**489.74**	**3.10%**	12496.20	300.42	2.40%
	Total (A+B)	**23958.46**	**640.19**	**2.67%**	19818.93	391.25	1.97%

4.10 Movement of NPAs (As compiled by Management):

(₹ in crore)

Particulars	2016-2017	2015-2016
Gross NPAs as on 1st April (Opening Balance)	**391.25**	454.62
Additions (Fresh NPAs) during the year	**597.20**	196.90
Sub-total (A)	**988.45**	651.52
Less:- (i) Upgradations	**26.48**	21.20
(ii) Recoveries (excluding recoveries made from upgraded accounts)	**230.27**	169.81
(iii) Technical / Prudential write offs	**88.55**	68.88
(iv) Write-offs other than those under (iii) above	**2.95**	0.38
Sub-total (B)	**348.26**	260.27
Gross NPAs as on 31st March (closing balance) (A-B)	**640.19**	391.25

4.10.1 Details of Technical write-offs and recoveries made:

(₹ in crore)

Particulars	2016-2017	2015-2016
Opening balance of Technical / Prudential written off accounts as at 1st April	**345.39**	317.84
Add: Technical / Prudential write offs during the year	**88.55**	68.88
Sub Total (A)	**433.94**	386.72
Less: Recoveries / reduction made from previously technical / prudential written - off accounts during the year (B)	**40.82**	41.33
Closing balance as on 31st March (A-B)	**393.12**	345.39

4.11 REGROUPING OF REPO / REVERSE REPO TRANSACTIONS

Pursuant to RBI circular FMRD. DIRD. 10/14.03.002/2015-16 dated 19th May 2016, the bank, has with effect from 3rd October 2016, considered its Repo / Reverse Repo transactions under Liquidity Adjustment Facility (LAF) and Marginal Standing facility (MSF) of RBI as borrowings / Lending, as the case may be. Consequently, interest expended on repo borrowing with RBI is included under "Interest Expended" and interest earned on reverse repo with RBI under "interest Earned - Interest on Balances with Reserve bank of India and other inter-bank funds". Hitherto, the repo/ reverse repo transactions were included under "Investments" and interest thereon was included under " Interest Earned - Income on Investments". Figures for the previous periods have been regrouped / reclassified to conform to current period's classification. The above regrouping/ reclassification has no impact on the profit of the bank for the quarter/ year ended 31st March 2017 or the previous periods.

4.12 Disclosures on Flexible Structuring of Existing Loans

Period	No. of borrowers taken up for flexible structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
2016-17	2	159.80	0.00	4.33 years	21.16 years
2015-16	Nil	Nil	Nil		

4.13 Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period):

(₹ in crore)

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date 31.03.2017		Amount outstandng as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstandng as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
5	283.03	0.00	Nil	Nil	283.03	0.0

4.14 Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period):

(₹ in crore)

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting 31.03.2017		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity / invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity / invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
Nil								

4.15 Disclosures on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period):

(₹ in crore)

No. of project loan accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		
	Classified as standard	Classified as standard restructured	Classified as NPA
Nil			

4.16 Disclosures on the scheme for Sustainable Structuring of Stressed assets (S4A), as on 31.3.2017.

(₹ in crore)

No .of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision Held
		Part A	Part B	
Classified as Standard	25.47	13.81	11.66	5.09
Classified as NPA	Nil	Nil	Nil	Nil

4.17 Disclosure in the "Notes to Accounts" to the Financial Statements- Divergence in the asset classification and provisioning

The additional provisioning requirement due to divergence observed by RBI for the financial year 2015-16 in respect of bank's asset classification and provisioning under extant prudential norms on income recognition, asset classification and provisioning (IRACP), is within the limit of 15%. Hence, no disclosure is required to be made under DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017.

4.18 Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Spread Over of Shortfall on Sale of NPAs to SCs/RCs

As permitted by RBI, the bank has opted to provide for the net shortfall on account of sale of assets to Reconstruction Companies over a period of eight / four quarters. Consequently, ₹ 74.90 Crore has been charged to the Profit & Loss account for the year ended 31st March 2017. The unamortised amount on this account as on 31st March 2017 is ₹ 31.29 crore and is debited to 'Other Reserves' and credited to 'Other Provisions', as per RBI guidelines vide no.DBR.No.BP.BC.102/21.04.048/2015-16 dated 13.06.2016

4.19 Overseas Assets, NPAs and Revenue

Particulars	(₹ in crore)
Total Assets	NIL
Total NPAs	NIL
Total Revenue	NIL

4.20 Off-balance Sheet SPVs sponsored :

Name of the SPV sponsored

Domestic	Overseas
NIL	NIL

4. 21 Disclosure on Remuneration:

a. Qualitative disclosures:

(a)	Information relating to the composition and mandate of the Remuneration Committee.	The members of the Nomination and Remuneration committee as on 31st March 2017 are 5.
(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	
(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	The latest amendment to the policy was approved by the HR Committee of the Board on 14th October 2015.
(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with level of remuneration.	Performance is evaluated based on Key Performance indicators as approved by the Board.
(e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting	
(f)	Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.	ESOS and Performance incentives are the components of variable remuneration

b. Quantitative disclosures:

	Particulars	2016-17	2015-16
(g)	Number of meeting held by the remuneration committee during the financial year and remuneration paid its members	Meeting of the Nomination, Remuneration and Compensation Committee of the Board (NRCCB) was held 6 times during FY 2016-17 and the total remuneration paid to the committee members in the form of sitting fees is ₹ 0.08 crore.	Meeting of the Nomination and Remuneration Committee of the Board (NRCB) was held 5 times during FY 2015-16 and the total remuneration paid to the committee members is ₹ 0.05 crore.

b. Quantitative disclosures: (Contd.)

	Particulars	2016-17	2015-16
(h)	(i) Number of employees having received a variable remuneration award during the financial year.	NIL	NIL
	(ii) Number and total amount sign-on awards made during the financial year.	NIL	NIL
	(iii) a) Details of guaranteed bonus, if any, paid as joining / Sign on bonus.	NIL	NIL
	b) Details of performance Bonus / Allowance	₹ 0.12 crore (1 person)	₹ 0.35 crore (2 persons)
	(iv) Details of severance pay, in addition to accrued benefits, if any.	NIL	NIL
(i)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and shares - linked instruments and other forms.	Grant of 3,10,000 shares to Executive Director & CFO and Company Secretary respectively under ESOS.	Grant of 12,00,000 shares to MD & CEO under ESOS subject to approval of RBI.
	(ii) Total amount of deferred remuneration paid out in the financial year.	NIL	₹ 1.22 Crore
(j)	Breakdown of amount remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	No Risk Takers were paid Variable Pay No deferred and Non-deferred remuneration	No Risk Takers were paid Variable Pay No deferred and Non-deferred remuneration
(k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments.	NIL	NIL
	(ii) Total amount of reductions during the financial year due to ex-post explicit adjustments.	NIL	NIL
	(iii) Total amount of reductions during the financial year due to ex-post implicit adjustments.	NIL	NIL

4.22 Disclosures relating to securitization: NA

4.23 Credit Default Swaps: NIL

4.24 Intra – Group Exposure: (₹ in crore)

	Particulars	FY 2016-17
(a)	Total amount of intra-group exposures	NIL
(b)	Total amount of top-20 intra-group exposures	
(c)	Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	
(d)	Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	

4.25 Transfer to Depositors Education and Awareness Fund (DEAF): (₹ in crore)

Particulars	FY 2016-17	FY 2015-16
Opening balance of amounts transferred to DEAF	17.72	10.10
Add: Amounts Transferred to DEAF during the year	5.53	7.66
Less: Amounts reimbursed by DEAF towards claims	0.11	0.04
Closing balance of amounts transferred to DEAF	23.14	17.72

4.26 Unhedged Foreign Currency Exposure:

Based on the declaration received from borrowers, the bank has estimated and provided towards the liability for Unhedged Foreign Currency Exposure (UFCE) of their constituents in terms of RBI Circular No. DBOD.NO.BP.BC.85/21.06.200/2013-14 dated 15th January 2014 and the total provision held as of 31st March 2017 is ₹ 2.28 Crore.

4.27 Details of Frauds occurred and Provision made during the year:

As per RBI Circular No.DBR. No. BP.BC.92/21.04.048/2015-16 dated April 18, 2016 required details are furnished:

(a)	Number of Fraud cases reported during the year	15
(b)	Amount involved (₹ In Crore)	110.00
(c)	Quantum of Provision made, net of recoveries of ₹ 75.93 Crore	11.63
(d)	Quantum of unamortized Provision debited from 'Other Reserves' (₹ In Crore)	19.15

5.1 Liquidity Coverage Ratio:

(₹ in Crore)

		2016-2017		2015-2016	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets					
1.	Total High Quality Liquid Assets (HQLA)	–	1189.87	–	797.68
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which	3097.65	258.07	949.94	81.59
(i)	Stable Deposits	1033.93	51.70	268.04	13.40
(ii)	Less stable Deposits	2063.72	206.37	681.90	68.19
3	Unsecured wholesale funding, of which:	1268.81	245.42	818.00	92.54
(i)	Operational deposits (all counterparties)	70.63	17.66	74.66	18.66
(ii)	Non-operational deposits (all counterparties)	1006.50	95.49	743.34	73.88
(iii)	Unsecured debt	0.00	0.00	0.00	0.00
4	Secured Wholesale funding	730.17	0.00	441.49	0.00
5	Additional requirements, of which	4300.31	433.04	3216.03	282.63
(i)	Outflows related to derivative exposures and other collateral requirements	10.22	10.22	7.66	7.66
(ii)	Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00
(iii)	Credit and Liquidity facilities	1775.90	152.98	1120.83	99.84
6	Other contractual funding obligations	185.15	185.15	82.22	82.22
7	Other contingent funding obligations	2309.37	69.28	2005.33	92.91
8	Total Cash Outflows	9396.93	936.53	5425.46	456.76
Cash Inflows					
9	Secured lending (e.g. reverse repos)	279.52	0.00	59.31	0.00
10	Inflows from fully performing exposures	4736.26	2368.13	2170.40	1085.20
11	Other cash inflows	312.47	112.47	83.21	66.54
12	Total Cash Inflows	5328.25	2480.60	2312.91	1151.74
			Total Adjusted 5 Value		Total Adjusted 5 Value
13	TOTAL HQLA	–	1189.87	–	797.68
14	Total Net Cash Outflows	–	369.68	–	114.19
15	Liquidity Coverage Ratio (%)	–	321.86	–	698.56

5.2 Qualitative disclosure around LCR:

Based on RBI guidelines issued during June, 2014 and also other circulars subsequently thereon, the Bank has been computing the Liquidity Coverage Ratio with effective from 01st January, 2015. As per these guidelines, the Bank has high quality liquid assets (HQLA) into Level 1 and Level 2A/2B. As on 31.03.2017, the Bank has ₹ 1253.53 Cr of HQLAs, of which, the main contribution is from Level - 1 type of assets with ₹ 1206.08 Cr. The Level-1 assets are in the form of surplus SLR investments / Excess CRR and Cash in Hand.

As on 31.03.2017, after applying the respective haircuts as mentioned by RBI guidelines on LCR, the Bank has total amount of ₹ 1533.72 Cr of cash outflows and ₹ 1189.34Cr of cash inflows over the next 30 days period. Of this total amount of ₹ 1533.72 Cr of cash outflows, the major component is in the form of unsecured wholesale funding and of the total ₹ 1189.34 Cr of cash inflows, the major cash inflows are in the form of amounts to be received from Non - Financial wholesale counterparties.

6. a) The disputed Income Tax demand outstanding as on 31.03.2017 amounts to ₹ 100.43 Crore (previous year ₹ 60.11 Crore) and is included under Item I of Schedule 12 (Contingent Liabilities). No provision is considered necessary in respect of the disputed liabilities in view of favorable decisions by various appellate authorities on similar issues.

b) The disclosure requirement on Specified Bank Notes (SBN) as envisaged notification no. GSR.308 (E) dated 30.03.2017 is not applicable to the bank since its financial statements are not presented as per schedule III of The Companies Act, 2013.

c) The Board of Directors has recommended a dividend of ₹ 2.70 per share (27%) for the year ended 31st March 2017 (previous year ₹ 3 Per share (30%)), subject to approval of the shareholders at the ensuing Annual General Meeting. In accordance with revised Accounting Standards (AS) 4-Contingencies & Events occurring after the balance sheet date notified by the MCA on March 30, 2016, the proposed dividend including corporate dividend tax amounting to ₹ 62.21 crore has not been shown as an appropriation from the profit & loss appropriation account as of March 31, 2017 and consequently not reported the same under Other liabilities and Provisions as of March 31, 2017. For computation of capital adequacy ratio as of March 31, 2017, Bank has adjusted the proposed dividend for determining capital funds.

7. Previous year's figures have been regrouped / reclassified wherever considered necessary to conform to the current year's classification.

For **M/s. R.K. KUMAR & CO**
Chartered Accountants
FRN - 001595S

G.NAGANATHAN
Partner
M. No. 022456

Chennai
26th April, 2017

KUSUMA R MUNIRAJU
Chairman of the Meeting

PARTHASARATHI MUKHERJEE
Managing Director & CEO

N.S.VENKATESH
Executive Director & Chief Financial Officer

N. RAMANATHAN
Company Secretary

S.G. PRABHAKHARAN
N. MALAYALARAMAMIRTHAM
E.V. SUMITHASRI
Y.N. LAKSHMINARAYANA MURTHY
PANKAJ VAISH
PRAKASH P MALLYA
ANURADHA PRADEEP
SUVENDU PATI
Directors

DISCLOSURE UNDER PILLAR III OF BASEL III NORMS AS ON 31.03.2017

I. SCOPE OF APPLICATION AND CAPITAL ADEQUACY

Table DF - 1

Scope of application

Lakshmi Vilas Bank is a private sector bank incorporated in the year 1926 at Karur. The bank doesn't have any subsidiaries under its Management. Hence the CRAR is computed on standalone basis only.

(i) Qualitative Disclosures:

List of group entities considered for consolidation.

List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation.

No group affiliation

(ii) Quantitative Disclosures:

List of group entities considered for consolidation

Not applicable

The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:

Not applicable

The aggregate amounts (e.g. current book value) of the bank's total interests in insurance entities, which are risk-weighted:

Not applicable

Any restrictions or impediments on transfer of funds or regulatory capital within the banking group:

Not applicable

Table DF - 2

Capital Adequacy

Qualitative Disclosures:

A summary discussion of the bank's approach for assessing the adequacy of its capital to support current and future activities.

As per Basel III guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 10.25% (including Capital Conservation Buffer with minimum Tier I (CET1) of 8.25%. The Bank is maintaining CRAR at 10.38% (Basel III) well above the minimum level with Tier I at 8.75% and Tier II at 1.63%.

Quantitative Disclosures: (₹ in lacs)

Particulars	No of Equity Shares	Face Value Per share	Amount
Authorized Capital	500000000	10	50000.00
Issued Capital	192955124	10	19295.51
Subscribed Capital	191446747	10	19144.67
Called up/paid up Capital	191446747	10	19144.67

The Bank's shares are listed on the National Stock Exchange Limited (NSE) and Bombay Stock Exchange Limited (BSE).

During the financial year 2016-17, the bank has raised funds through Qualified Institutional Placements for the purpose of fulfilling Basel III norms.

Break up of capital funds: (₹ In lacs)

A. Tier I Capital Elements	
1. Paid up capital	19144.67
2. Reserves and surplus	184442.38
3. Gross Tier I Capital	203587.05
4. Less (Intangible Assets)	8012.99
5. Net Tier I Capital	195574.06

B. Tier II Capital Elements	
1. General Provisions and Loan loss Reserve	8755.79
2. Subordinated Debt (Lower Tier II bonds)	22724.00
3. Provision for restructured advances	5043.38
4. Provision for unhedged foreign currency exposure	227.61
5. Gross Tier II capital	36750.78
6. Less (Cross holdings)	200.00
7. Net Tier II Capital	36550.78

Break up of Capital Requirements: (₹ In lacs)

Risk Type	
Capital requirements for Credit Risk	**166741.99**
Portfolios subject to standardized approach	
Cash & Bank	410.25
Loans and Advances	148973.36
Fixed Assets	3072.23
Other Assets	4456.26
Off Balance sheet Exposure	9829.89
Capital requirements for Market Risk	**21307.58**
Standardized Duration approach	
Interest Rate Risk	17035.46
Foreign Exchange Risk (including gold)	154.51
Equity Risk	4117.61
Capital requirements for Operational Risk	**13191.69**
Basic Indicator approach	13191.69
Total Risk weight Assets (b+c+d)*100/9	2236014.06
Total Eligible Capital Funds for CRAR	232124.84
CRAR (Basel III)	**10.38%**

Common Equity Tier 1, Tier I and Total Capital ratios:

Common Equity Tier I - CRAR	8.75%
Tier I CRAR	8.75%
Total CRAR	10.38%

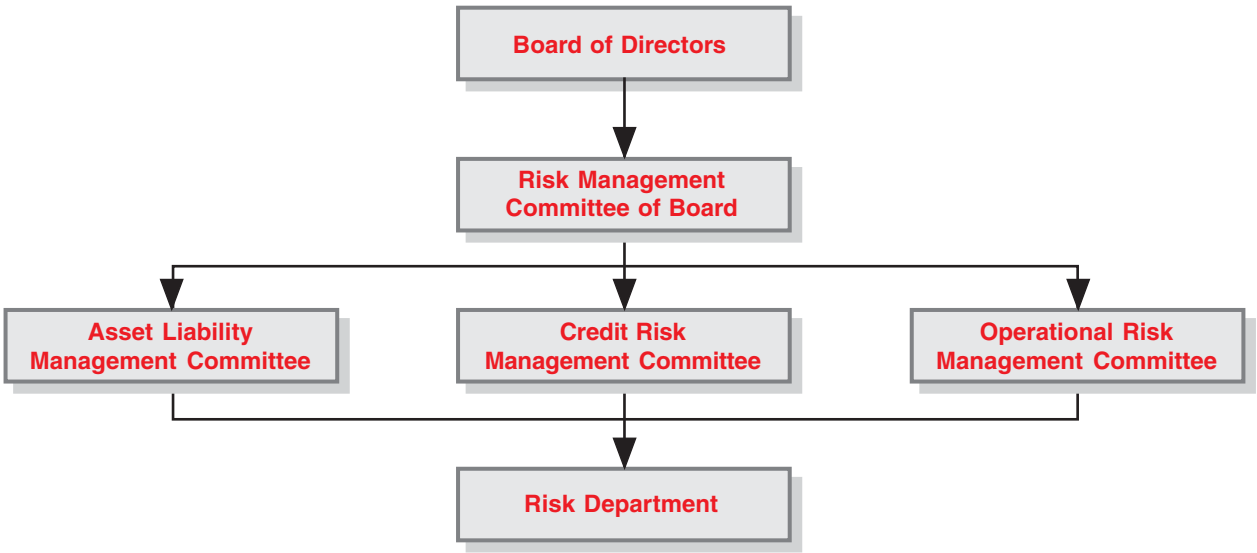
For the top consolidated group; and for significant bank subsidiaries - Not applicable

II. Risk Exposure and Assessment

General Qualitative Disclosure requirement:

The risk management framework of the Bank keeps on evolving with more robustness mainly from the understanding/ identification/ assessment/ management/ measurement and monitoring of various risks on a continuous basis. The Bank always strives to update the practices, policies and process involving risk by benchmarking ourselves to the best global practices in risk management.

The Bank has in place a Risk Management Committee of the Board of Directors, basis the regulatory requirement for listed entities. While the Board is responsible for framing, implementing and monitoring the said Risk Management framework, it has delegated its powers to monitoring and reviewing of risk associated with the business of the bank to the said Committee as mentioned in the below Organization Structure.



The risk management processes are guided by well-defined policies appropriate for various risk categories viz., credit risk, market risk and operational risk as per the respective regulatory and business requirements. Investment policy, Forex policy, ALM policy, Stress testing policy, Credit Risk Management Policy are put in place to measure, mitigate / hedge the various risks. The Bank has laid down Stress Testing policy to measure impact of adverse stress scenarios on the adequacy of capital and profit.

Organization Structure of Risk Department:

The Risk Department is headed by Chief Risk Officer who reports to the Managing Director and CEO of the Bank. The activities of the Risk Department is being overseen by the Risk Management Committee of the Board. The Department has separate teams for individual components of risk. The teams report to the Chief Risk Officer.

Credit Risk:

Credit risk is the risk of financial loss if a client, issuer of securities that the Bank holds or any other counterparty fails to meet its contractual obligations. Credit Risk arises from all transactions that give rise to actual, contingent or potential claims against any counterparty, borrower or obligor. The goal of credit risk management focusses on risk-adjusted return on capital, targeted asset quality and management of the credit risk inherent in individual exposures as well as at the portfolio level. The emphasis is placed both on evaluation and management of risk at the individual exposures and analysis of the portfolio behavior.

Credit Risk Management policy:

A comprehensive Credit risk management policy is put in place and the same has been approved by Board. The Credit risk strategy of the bank is based on Risk appetite and risk-return profile and it is being reviewed yearly in CRM policy. The strategy of the bank shall provide continuity in approach considering cyclical approach of the economy and the resulting shifts in the composition and quality of the overall credit portfolio. It shall also include a statement of the banks willingness to grant credit based on exposure type (for example, commercial, consumer, real estate,etc.,), economic sector (e.g. textile, iron etc.), geographical location, currency, maturity, anticipated profitability, identification of target markets / business sectors (like priority sector lending) and the overall credit portfolio composition.

Credit sanction and approval processes:

The Bank has structured and standardized credit approval process, including a well-established procedure of comprehensive credit appraisal. Every extension of credit facility or material change of a credit facility to any counterparty requires credit approval at the appropriate authority level. The Bank has a multi-tier structure for sanction of credit proposals, with proper delegation of lending powers at various levels of officers & executives, duly approved by Board.

The powers vested at each level depend on the quantum and type of the loan facility and the overall exposure to the borrower / group.

Credit Rating System:

Internal risk rating remains the foundation of the credit assessment process, which provides standardization and objectivity to the process. All sanctioning processes including the delegation of powers are linked to the ratings and the sizes of the exposure. The

monitoring frequency applicable to the exposure also depends on the rating of the exposure. Individual borrower exposure ceilings linked to the internal rating and sector specific caps are laid down in the Credit policy to avoid concentration risk. Both credit and market risk expertise are combined to manage risks arising out of traded credit products such as bonds and market related off-balance sheet transactions.

Key sectors are analyzed in detail to suggest strategies for business, considering both risks and opportunities. Such analysis is reviewed by the Credit Risk Management Committee/ Central Management Committee/ Various Credit Sanctioning Committees to arrive at the appropriate industry ceilings as well as define the origination and account management strategy for the sector. The Risk Management Committee of the Board periodically reviews the impact of the plausible stress scenarios covering inter alia increased regulatory prescriptions on provisioning requirements, rating downgrades, or drop in the asset values in case of secured exposures etc. on the portfolio.

Credit Review and Monitoring:

Bank has a dedicated monitoring department which looks after review and monitoring of bank's credit portfolio. The Bank has a system under which the lending powers exercised by delegated authority are reported to and reviewed by a higher authority under the Internal Loan Review Mechanism.

Market Risk:

Market risk is the risk of losses in 'on and off-balance sheet' positions arising from the movements in market price as well as the volatilities of those changes, which may impact the Bank's earnings and capital. The risk may pertain to interest rate related instruments (Interest rate risk), equities (equity price risk) and foreign exchange rate risk (currency risk). Market Risk for the Bank emanates from its trading and investment activities, which are undertaken both for the customers and on a proprietary basis. The Bank adopts a comprehensive approach to market risk management for its banking book as well as its trading book for its operations. The market risk management framework of the Bank provides necessary inputs regarding the extent of market risk exposures, the performance of portfolios vis-a- vis the market risk limits and comparable benchmarks, which provides guidance to the business in optimizing the risk-adjusted rate of return of the Bank's trading and investment portfolio.

Market risk management is guided by well laid down policies, guidelines, processes and systems for the identification, measurement, monitoring and reporting of exposures against various risk limits set in accordance with the risk appetite of the Bank. Treasury Mid-office independently monitors the Bank's investment and trading portfolio in terms of risk limits stipulated in the Market Risk Management.

Operational Risk:

Operational risks may emanate from inadequate and/or missing controls in internal processes, people and systems or from external events or a combination of all the four. The Bank has in place an Operational Risk Management (ORM) Policy to manage the operational risk in an effective, efficient and proactive manner. The policy aims at assessing and measuring the magnitude of risks, monitoring and mitigating them through well-defined framework and governance structure.

The RMC at the apex level is the policy making body and is supported by the Operational Risk Management Committee (ORMC) responsible for the implementation of the Operational Risk framework of the Bank and the management of operational risks across the Bank.

All new products and processes, as well as changes in existing products and processes are subjected to risk evaluation by the Bank's Product Management Committee and Change Management Committee. Outsourcing arrangements are examined and approved by the Outsourcing Committee of the Bank. The IT Systems and Security Committee/ Cyber Risk Committee of the Bank provide directions for mitigating operational risk in the information systems/ cyber issues. Comprehensive frameworks and processes help the Bank in managing and mitigating such risks.

The Bank has set up a comprehensive Operational Risk Management / Measurement System for identifying, documenting, assessing, measuring and periodic monitoring of various risks and controls linked to various processes.

The Business Continuity Management Committee (BCMC) exercises oversight on the implementation of the approved Business Continuity plan (BCP) framework, which has been put in place to ensure continuity of service for its customer base.

Further, the bank continuously examines its risk governance framework, the risk management practices, availability of adequate resources, appropriate systems and continuously strives to improve all these aspects. For example- Ensuring a strong set of experienced and skilled officials in Risk, strengthening the risk management at its Regions, acquiring improvised risk systems and continuously improving risk processes/ tools to be able to have the best of risk management practices across the globe.

Interest Rate Risk in Banking Book:

Interest Rate Risk is measured in two different ways. Earnings perspective using Traditional Gap Analysis to assess the impact of adverse movement in interest rate on the Net Interest Income (Earnings at Risk) and economic value perspective using Duration Gap Analysis to assess the impact of adverse movement in interest rate on the market value of Bank's equity.

ALM policy will manage and monitor the limits / guidance values / target set on interest rate risk of the Banking Book. RMC-B and ALCO at the executive level are responsible for efficient and effective management of Interest rate risk in Banks business.

Scope and nature of risk reporting / measurement systems:

The Duration/ Modified duration mainly depends on coupon, maturity and periodicity of payment of installments. Since the modified duration of the liabilities is less compared to the modified duration of assets, there would be fall in the equity value under major stress. Modified duration of Equity is calculated on a quarterly basis. The capital charge for Interest rate risk in banking book is assessed based on drop in the Market value of equity under 200 bps changes in interest rate. The results of Traditional Gap analysis and Duration Gap analysis including the adherence to tolerance limit set in this regard are monitored and the same has been placed before ALCO/RMCE/RMC-B level.

Liquidity Risk:

Liquidity is a bank's capacity to fund increase in assets and meet both expected and unexpected cash and collateral obligations at reasonable cost and without incurring unacceptable losses. Liquidity risk is the inability of a bank to meet such obligations as they become due, without adversely affecting the bank's financial condition. The Asset Liability Management policy of the Bank stipulates a broad framework for liquidity risk management to ensure that the Bank is in a position to meet its liquidity obligations as well as to withstand a period of liquidity stress from bank-level factors, market-wide factors or a combination of both.

The liquidity profile of the Bank is monitored on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically.

The Bank has integrated into the asset liability management framework, the liquidity risk management guidelines issued by RBI pursuant to the Basel III framework on liquidity standards. The Bank maintains the regulatory mandated LCR as per the transitional arrangement laid down by RBI and also ensures adherence to RBI guidelines on monitoring and management of liquidity including liquidity ratios.

Table DF - 3

Credit Risk

Credit Risk: General Disclosures

Qualitative Disclosures:

The general qualitative disclosure requirement with respect to credit risk, Includes the definitions of Past Due, NPA of a loan or a advance and impaired assets (For Accounting Purposes), Out of order and Overdue. These definitions are as per the extant guidelines of Reserve Bank of India.

Credit Risk:

Credit risk in simple terms is the potential that bank's borrower or counterparty will fail to meet its obligations in accordance with agreed terms.

Credit risk is defined as the possibility of losses associated with default in repayment or diminution in the credit quality of borrowers or counterparties or diminution in the value of primary and/or collateral assets. In a bank's portfolio, losses stem from outright default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions.

Discussion of the Bank's Credit risk management policy:

The Board level approved Credit Risk Management Policy is put in place. The goal of the policy is to ensure that it is within the acceptable risk appetite and tolerance limit set by the bank. It manages the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions and it encompasses identification, measurement, monitoring and control of the credit risk exposures. Further it deals the structure, governance, framework, and processes for effective and efficient management of the Credit risk.

Quantitative Disclosures:

Credit Exposures	(₹ in lacs)
Fund Based *	2348188.50
Non Fund Based **	221711.55
Total Fund & Non Fund Based	**2569900.05**

* It excludes fixed assets, other assets, cash, bank balances, balance with RBI and investments under HTM category.

** Exposure without revaluation.

Geographic wise Distribution of Exposures: **(₹** in lacs)

State Name	Funded Exposure	Non-Funded Exposure	Total Exposure
Andhra Pradesh	160622.89	10244.05	170866.94
Chattisgarh	3869.32	296.24	4165.56
Gujarat	46556.68	4894.54	51451.22
Haryana	6558.35	1452.75	8011.10
Jharkhand	2996.70	5.00	3001.70
Karanataka	247260.96	2111.22	249372.18
Kerala	31269.49	80.31	31349.80
Madhya Pradesh	6068.55	24.05	6092.60
Maharashthra	541756.79	52757.23	594514.02
New Delhi	133466.86	48807.22	182274.08
Odisha	538.96	5.16	544.12
Puducherry	9775.40	499.23	10274.63
Rajasthan	6588.10	0.00	6588.10
Tamilnadu	961323.47	69394.64	1030718.11
Telangana	148565.21	23821.21	172386.42
Uttar Pradesh	1598.70	84.41	1683.11
West Bengal	39372.07	7234.29	46606.36
Total	**2348188.50**	**221711.55**	**2569900.05**

Industry Wise distribution of Exposures: **(₹** in lacs)

S. No.	Industry Name	Funded Exposure	Non-funded Exposure	Total Exposure	% of gross credit Exposure
1	Mining and Quarrying	21949.66	182.57	22132.23	0.86
2	Food Processing	21056.49	945.79	22002.28	0.86
3	Beverages (excluding Tea & Coffee) and Tobacco	39814.73	3417.78	43232.51	1.68
4	Textiles	113496.91	9255.04	122751.95	4.78
5	Leather and Leather products	607.20	2.00	609.20	0.02
6	Wood and Wood Products	8969.45	9276.51	18245.96	0.71
7	Paper and Paper Products	8000.46	158.03	8158.49	0.32
8	Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	1109.13	393.52	1502.65	0.06
9	Chemicals and Chemical Products (Dyes, Paints, etc.)	23218.51	18368.90	41587.41	1.62
10	Rubber, Plastic and their Products	25886.89	376.63	26263.52	1.02
11	Glass & Glassware	2656.87	5.67	2662.54	0.10
12	Cement and Cement Products	17470.65	0.00	17470.65	0.68

S. No.	Industry Name	Funded Exposure	Non-funded Exposure	Total Exposure	% of gross credit Exposure
13	Basic Metal and Metal Products	110797.13	18593.47	129390.60	5.03
14	All Engineering	23009.50	7202.25	30211.75	1.18
15	Vehicles, Vehicle Parts and Transport Equipments	5851.47	11.50	5862.97	0.23
16	Gems and Jewellery	13234.65	354.91	13589.56	0.53
17	Construction	0.00	0.00	0.00	0.00
18	Infrastructure	177397.61	47892.46	225290.07	8.77
	Residual Advance	1700274.50	104859.87	1805134.37	70.24
	Other Industries	33386.69	414.65	33801.34	1.32
	Total	**2348188.50**	**221711.55**	**2569900.05**	

Note: The industries break-up given on the same lines as prescribed for DSB returns. Residual advances are educational loans, Housing loans, Gold loans, Loan against deposits, Personal loan, staff loan, consumer loans, vehicle loans, etc., The Industries which has crossed 5% of gross credit exposure are:

a) Infrastructure - 8.77%

b) Basic Metal and Metal Products - 5.03%

Residual Contractual maturity breakdown of assets: (₹ in lacs)

	Cash	Balance With RBI	Balance with Other Banks	Investments	Call Money Placements	Repo-Asset	Advances	Fixed Assets	Other Assets
Overdue to 1 Day	34126.46	1786.07	1918.04	183507.67	0.00	0.00	33326.02	0.00	4006.19
2-7 Days	0.00	3197.09	0.00	23803.20	0.00	11000.00	47890.13	0.00	496.09
8-14 Days	0.00	4715.58	0.00	28917.06	0.00	0.00	97386.03	0.00	577.79
15-30 Days	0.00	3083.11	0.00	16870.18	0.00	0.00	51824.65	0.00	1154.09
31-60 Days	0.00	3759.73	0.00	20412.01	0.00	0.00	41085.19	0.00	2557.71
61-90 Days	0.00	7291.42	0.00	50769.61	0.00	0.00	322968.63	0.00	2557.71
3-6 Months	0.00	10521.15	1.25	66789.29	0.00	0.00	86232.00	0.00	7426.57
6 Month to 1 Year	0.00	15948.97	0.00	90185.22	0.00	0.00	212878.34	0.00	0.00
1-3 Years	0.00	34594.25	60.00	211705.83	0.00	0.00	1015941.34	0.00	96712.08
3-5 Years	0.00	4959.06	5.00	42994.96	0.00	0.00	141614.98	0.00	0.00
Over 5 Years	0.00	21497.59	0.00	127555.82	0.00	0.00	323113.36	35911.90	18774.17
Total	34126.46	111354.02	1984.29	863510.85	0.00	11000.00	2374260.67	35911.90	134262.39

Asset Quality: (₹ in lacs)

Amount of Non-Performing Assets (Gross)	64019.43
Substandard	34616.09
Doubtful - 1	10701.01
Doubtful - 2	8173.63
Doubtful - 3	547.35
Loss	9981.35
Net NPA	41841.59
Gross NPA to gross advances (%)	2.67%
Net NPAs to Net advances (%)	1.76%
Movement of NPAs (Gross)	
Opening Balance	39125.00
Additions during the period	59720.31
Reductions	34825.88
Closing Balance	64019.43

Movement of Provisions: (₹ in lacs)

	Specific Provision
Opening Balance	11346.81
Provisions made during the period	19455.26
Write off	10769.54
Write back of excess provisions	2990.46
Any other adjustments, including transfers between provisions	–
Closing balance	17042.54

Details of write offs and recoveries that have been booked directly to the Income statement (₹ in lacs)

Write offs that have been booked directly to the income statement	712.94
Recoveries that have been booked directly to the income statement	1478.30

Investments: (₹ in lacs)

Amount of Non Performing Investments	2776.49
Amount of provisions held for non-performing investments	1406.97
Movement of provisions for depreciation on Investments	
Opening Balance	4904.10
Provisions made during the period (April 2016 to March 2017)	235.50
Write-off/Write - back of excess provisions	0.00
Closing Balance	5139.60

Major Industry break up of NPA: (₹ in lacs)

Industry	Gross NPA	Specific Provision
Food Processing	13200.85	2275.06
Vehicles, Vehicle Parts and Transport Equipments	5088.78	1839.88
Textiles	2393.99	408.14
Gems and Jewellery	1314.84	197.23
Chemicals and Chemical Products (Dyes, Paints, etc.)	449.03	98.77
Total	22447.49	4819.08

Geographic wise Distribution of NPA and Provision: (₹ in lacs)

Geography	Gross NPA	Specific Provision
Domestic	64019.43	17042.54
Overseas	–	–
Total	64019.43	17042.54

Table DF - 4

Credit Risk: Disclosures for portfolios subject to the Standardized Approach

a) For exposure amounts after risk mitigation subject to the standardized approach, amount of a bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted:

(₹ in. lacs)

Particulars	<Below 100% Risk Weight		100% Risk Weight		>More than 100% Risk Weight		Grand Total	
	BV**	RWA**	BV	RWA	BV	RWA	BV	RWA
Loans & Advances	1522727.60	625569.72	514799.81	499881.40	358318.23	529808.48	2395845.64	1655259.60
Investments	511861.16	0.00	0.00	0.00	0.00	0.00	511861.16	0
Other Assets*	221634.58	5043.27	88406.79	66859.77	6522.16	16305.10	316563.53	88208.14
(A) Total Fund Based outstanding	2256223.34	630612.99	603206.60	566741.17	364840.39	546113.58	3224270.33	1743467.74
Exposure under mitigation	496957.12	0.00	36465.43	0.00	0.00	0.00	533422.55	0.00
(B) Non Fund based (after applying CCF)	42087.87	14304.45	33437.88	21671.18	46421.21	59694.62	121946.96	95670.25
(C) Claim against the bank not acknowledge as debt	0.00	0.00	0.00	13550.71	0.00	0.00	0.00	13550.71
Total (A+B+C)	**2298311.21**	**644917.44**	**636644.48**	**601963.06**	**411261.60**	**605808.20**	**3346217.29**	**1852688.70**

* Other assets includes cash, balance with RBI, balance with other banks, fixed assets and others.

** BV: Book Value; RWA: Risk Weighted Assets

Table DF - 5

Credit Risk: Credit Risk Mitigation: Disclosures for Standardized Approaches

Qualitative Disclosures:

The general qualitative disclosure requirement with respect to credit risk mitigation including

Policies and process for and an indication of the extent to which the bank makes use of, on and off balance sheet netting;

- **Policies and processes for collateral valuation and management**

Bank has a policy and procedure for the management of collateral and guarantees.

Valuation is based on the current market value of the collateral and not biased in order to enable the bank, to grant a higher credit limit to the borrower or improve its internal credit rating, make a smaller amount of provision or continue interest accrual for a problem credit.

Further, collateral is revalued on a regular basis, though the frequency may vary with the type of collateral involved and the nature & the internal credit rating of the underlying credit e.g. frequency for shares and properties as collateral would be different.

Collaterals & guarantees are properly evaluated with respect to legal validity, enforceability in all relevant jurisdictions, etc., for the purpose of netting as credit risk mitigants as per the policy.

A more conservative approach is adopted for valuing the collateral of problem credits because the forced-sale value, rather than the open market value, is likely to be closer to what eventually may be realized from an asset sale when the market conditions are unfavorable. Therefore, a discount to the estimated market value should be applied where appropriate.

- **Description of the main types of collateral taken by the bank**

Under Standardized approach, the following collateral instruments used as risk mitigants for the capital computation.

1. Cash and fixed deposits of the Borrower with the Bank.
2. Gold (The value of the gold arrived after notionally converting into 99.99% purity)
3. Securities issued by Central and State Governments.
4. Kisan Vikas Patra and National Savings Certificates (with no lock-in period)

5. Life insurance policies with a declared surrender value of an insurance company which is regulated by an insurance sector regulator.
6. Debt Securities issued by Public Sector Entities and other entities (including banks and other primary dealers) rated by chosen rating agency attracting 100% risk weight or lesser risk weight.(i.e. rated atleast BBB(-) or A3 for short-term debt instruments)
7. Debt Securities not rated by a chosen Credit Rating Agency in respect of which banks should be sufficiently confident about the market liquidity where these are
   a) Issued by a bank
   b) Listed on a recognized stock exchange,
   c) Classified as senior debt and
   d) All the rated issues of the same senior by the issuing bank are rated atleast BBB (-) or A3 by a chosen Credit Rating Agency.
   e) The bank has no information to suggest that the issue justifies a rating below BBB (-) or A3 by a chosen Credit Rating Agency.
8. Units of Mutual Funds regulated by the securities regulator of the jurisdiction of the Bank's operation and mutual funds where
   a. A price for the units is publicly quoted daily i.e. where the daily NAV is available in public domain
   b. Mutual fund is limited to investing in the permitted instruments listed.

- **Information about (market or credit) risk concentrations within the mitigation taken**

Majority of the exposures are retail exposures and insulated with adequate liquid collateral by way of cash margin, KVP, fixed deposits, National Savings Certificate, Life Insurance Policies etc for reducing the capital buffer after applying applicable hair-cuts in the respective securities.

Quantitative Disclosures:

a) For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on -or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts.

Credit Risk exposure covered by Eligible Financial Collaterals

(₹ in lacs)

Type of Exposure	Notional Exposure (After CCF)	Eligible Financial Collaterals	Net Exposure
On Balance Sheet	458097.07	490939.92	0.00
Off Balance Sheet	121946.97	33280.91	88666.06
Total	**580044.04**	**524220.83**	**88666.06**

b) For each separately disclosed portfolio the total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees/credit derivatives (whenever specifically permitted by RBI)

NIL

Table DF - 6

Securitization Exposure- Disclosure for Standardized Approach

Qualitative disclosures:

As per the RBI guidelines on Securitization exposure, investments by banks in securitized assets, representing loans to various categories of priority sector, except 'others' category, are eligible for classification under respective categories of priority sector lending (PSL) depending on the underlying assets.

Quantitative Disclosure – Banking Book:

Amount of Securitization Exposure (Purchased by Bank)	₹ 6005.00 lakhs

The securitized exposures in banking book are vehicle / MFI Loans. The underlying assets in some cases are vehicles and further RWA is computed by applying risk weight of 125% on the exposure (applicable to consumer loans)

Table DF - 7

Market risk in Trading Book

Qualitative disclosures:

Approach for Computation of Capital charge for Market Risk

Standardized Duration Approach is used for calculating Capital charge for Market Risk. Components under Market risk are

a) Specific Risk - Capital Charge for market risk is computed based on risk weights prescribed by the regulator.

b) General Market Risk is calculated for

Securities under HFT category

Securities under AFS category

Open foreign exchange position limits

Trading Positions in Derivatives

The total Capital charge for market risk is equal to greater of Specific Capital charge plus General Market Risk Capital Charge or Alternative total capital charge.

Quantitative Disclosures:

The capital requirements for:

• Interest rate risk	₹ 17035.46 lakhs
• Equity position risk	₹ 4117.61 lakhs
• Foreign exchange risk	₹ 154.51 lakhs

Table DF - 8

Operational Risk

The Bank has put in place comprehensive Operational Risk Management policy along with its frameworks (Risk & Control Self Assessment (RCSA), Key Risk Indicators (KRI) and Loss Data Management), Information System Security, Business Continuity and Disaster Recovery Management.

The Operational Risk Management Policy outlines the Organisation structure and covers the process of identification, assessment / measurement and control of various operational risks. Internal control mechanism is in place to control and minimize the operational risks. The Bank has since further strengthened the existing Operational risk framework by establishing sound governance committees at the Board level/ Senior Management level. Bank has designed and implemented the Operational risk Management Policy along with frameworks and processes for conducting Risk & Control Self assessment, Key risk indicators for monitoring certain key risks, Loss data management, Product /Change Management and Outsourcing of financial activities. Apart from these, bank is regularly conducting thematic studies and risk walk through based on internal/ external risk perception.

Operational risk capital assessment:

Capital charge for operational risk is computed as per the Basic Indicator Approach. The average of the gross income, as defined in the New Capital Adequacy Framework guidelines, for the previous 3 years i.e., 2015-16, 2014-15, 2013-14 is considered for computing the capital charge. The required capital is ₹ 13191.69 lakhs.

Table DF - 9

Interest Rate Risk in the Banking Book (IRRBB)

Interest Rate Risk in Banking Book (IRRBB) refers to the risk of loss in earnings and economic value of the Bank's Banking Book as a consequence of movement in interest rates. The Bank has significant portion of its assets and liabilities portfolio not marked to market and is carried on the books of the Bank at historical values. Thus, the economic value of such assets and liabilities is generally not ascertained on a regular basis and can be a significant source of risk if the asset or liability is not held till maturity.

IRRBB Earnings Perspective:

The immediate impact of changes in interest rates in the market is on bank's earnings by changing the Net Interest Income (NII). The interest rate risk when viewed from this perspective is known as **'Earnings Perspective'.**

The asset liability profile up to 6 months is 'asset sensitive'. The positive mismatches in the near term time buckets (up to 6 months) will be beneficial to the bank if the interest rates increases in the economy.

Interest Rate Risk – Economic Value Perspective:

The long-term impact of changes in interest rates in the economy will be on bank's Market Value of Equity **(MVE)** since the economic value of the bank's assets, liabilities and off-balance sheet positions get affected due to variations in market interest rates.

Duration Gap Analysis (DGA) for IRR management is a simple approach to measure the volatility of market value of equity (MVE) in response to the changes in interest rates in the economy.

Since the modified duration of the liabilities are less compared to the modified duration of assets, there would be a fall in the equity value under major stress. In order to bring down the percentage of fall in market value of equity and earnings at risk under major stress, we have been mobilizing term deposits with longer tenure i.e., 3-5 years and over 5 years. As longer the tenure of liabilities, higher will be the modified duration.

The level of IRRBB (Earnings Perspective & Economic Value Perspective) is being measured and monitored on a quarterly basis aiming at managing it within the limit over a period and minimizes the impact of interest rate movement on near term profitability.

Quantitative Disclosures:

The impact is calculated for a parallel shift of 200 bps across all the time buckets. The increase in NII is at ₹ 5192.02 lakhs and there would be fall of EVE by ₹ 14721.12 lakhs.

Table DF - 10

General Disclosure for Exposures related to Counterparty Credit Risk

Counterparty exposures for other entities are assessed subject to exposure ceilings as per the policy of the bank. Capital for Counterparty Credit Risk exposure is assessed based on the Standardized approach.

Bank does not have bilateral netting. The Credit equivalent amount of the derivative exposure is assessed based on the Current Exposure method.

Credit Exposure as on 31.03.2017 (₹ in lacs)

	Notional Amount	Gross Positive fair value of contracts	Potential Future Exposure	Total Credit Exposure
Forward Contracts	83804.22	2367.85	1676.08	4043.93

Table DF - 11

Composition of Capital

(₹ in lacs)

	Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)	
	Common Equity Tier 1 capital: instruments and reserves	
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	99942.81
2	Retained earnings	103644.24
3	Accumulated other comprehensive income (and other reserves)	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	
	Public sector capital injections grandfathered until January 1, 2018	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	
6	**Common Equity Tier 1 capital before regulatory adjustments**	**203587.05**
	Common Equity Tier 1 capital: regulatory adjustments	
7	Prudential valuation adjustments	
8	Goodwill (net of related tax liability)	
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	7997.38
10	Deferred tax assets	

11	Cash-flow hedge reserve	
12	Shortfall of provisions to expected losses	
13	Securitisation gain on sale	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	
15	Defined-benefit pension fund net assets	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	
17	Reciprocal cross-holdings in common equity	15.61
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	
20	Mortgage servicing rights (amount above 10% threshold)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	
22	Amount exceeding the 15% threshold	
23	*of which*: significant investments in the common stock of financial entities	
24	*of which:* mortgage servicing rights	
25	*of which:* deferred tax assets arising from temporary differences	
26	National specific regulatory adjustments (26a + 26b + 26c + 26d)	
26a	*of which:* Investments in the equity capital of the unconsolidated insurance subsidiaries	
26b	*of which:* Investments in the equity capital of unconsolidated non-financial subsidiaries	
26c	*of which:* Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	
26d	*of which:* Unamortized pension funds expenditures	
	Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	
	of which: [INSERT TYPE OF ADJUSTMENT]	
	For example: filtering out of unrealized losses on AFS debt	
	securities (not relevant in Indian context)	
	of which: [INSERT TYPE OF ADJUSTMENT]	
	of which: [INSERT TYPE OF ADJUSTMENT]	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	
28	**Total regulatory adjustments to Common equity Tier 1**	8012.99
29	**Common Equity Tier 1 capital (CET1)**	195574.06
	Additional Tier 1 Capital : Instruments	
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	
33	*Directly issued capital instruments subject to phase out from Additional Tier 1*	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	
35	*of which: instruments issued by subsidiaries subject to phase out*	

36	**Additional Tier 1 capital before regulatory adjustments**	
	Additional Tier 1 Capital: regulatory adjustments	
37	Investments in own Additional Tier 1 instruments	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
41	National specific regulatory adjustments (41a+41b)	
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	
	of which: [INSERT TYPE OF ADJUSTMENT e.g. DTAs]	
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 1 at 50%]	
	of which: [INSERT TYPE OF ADJUSTMENT]	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	
43	**Total regulatory adjustments to Additional Tier 1 capital**	
44	**Additional Tier 1 Capital (AT1)**	
44a	**Additional Tier 1 capital reckoned for capital adequacy**	
45	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)**	195574.06
	Tier 2 Capital : Instruments and provisions	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	22724.00
47	Directly issued capital instruments subject to phase out from Tier 2	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	
49	*of which: instruments issued by subsidiaries subject to phase out*	
50	Provisions	14026.78
51	**Tier 2 capital before regulatory adjustments**	36750.78
	Tier 2 Capital : regulatory adjustments	
52	Investments in own Tier 2 instruments	
53	Reciprocal cross-holdings in Tier 2 instruments	200.00
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
56	National specific regulatory adjustments (56a+56b)	
56a	*of which:* Investments in the Tier 2 capital of unconsolidated subsidiaries	
56b	*of which:* Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment *of which:* [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%]	
	of which: [INSERT TYPE OF ADJUSTMENT	
57	**Total regulatory adjustments to Tier 2 capital**	200.00
58	**Tier 2 capital (T2)**	36550.78

58a	**Tier 2 capital reckoned for capital adequacy**	36550.78
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	0.00
58c	**Total Tier 2 capital admissible for capital adequacy (58a+58b)**	36550.78
59	**Total capital (TC=T1+T2) (45+58C)**	232124.84
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment	
	of which: [INSERT TYPE OF ADJUSTMENT]	
	of which: ...	
60	**Total risk weighted assets (60a+60b+60c)**	2236014.06
60a	of which: total credit risk weighted assets	1852688.70
60b	of which: total market risk weighted assets	236750.98
60c	of which: total operational risk weighted assets	146574.38
	Capital ratios	
61	*Common Equity Tier 1 (as a percentage of risk weighted assets)*	8.75%
62	Tier 1 (as a percentage of risk weighted assets)	8.75%
63	Total capital (as a percentage of risk weighted assets)	10.38%
64	*Institution specific buffer requirement (minimum CET1requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)*	6.75%
65	*of which: capital conservation buffer requirement*	1.25%
66	*of which: bank specific countercyclical buffer requirement*	NA
67	*of which: G-SIB buffer requirement*	NA
68	*Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted Assets) (Including point no. 65 of above)*	3.25%
	National minima (if different from Basel III)	
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%
70	National Tier 1 minimum ratio (if different from Basel III minimum)	8.25%
71	National total capital minimum ratio (if different from Basel III minimum) *	10.25%
	Amounts below the thresholds for deduction (before risk weighting)	
72	Non-significant investments in the capital of other financial entities	
73	Significant investments in the common stock of financial entities	
74	Mortgage servicing rights (net of related tax liability)	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	
	Applicable caps on the inclusion of provisions in Tier 2	
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	14026.78
77	Cap on inclusion of provisions in Tier 2 under standardized approach	23158.61
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	
	Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)	
80	Current cap on CET1 instruments subject to phase out arrangements	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	
82	Current cap on AT1 instruments subject to phase out arrangements	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	
84	Current cap on T2 instruments subject to phase out arrangements)	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	

* including capital conservation buffer

Notes to the Template

Row No. of the template	Particular	₹ in lakhs
10	Deferred tax assets associated with accumulated losses	
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	
	Total as indicated in row 10	
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	
	of which: Increase in Common Equity Tier I Capital	
	of which: Increase in Additional Tier I Capital	
	of which: Increase in Tier 2 Capital	
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	
	(i) Increase in Common Equity Tier I Capital	
	(ii) Increase in risk weighted assets	
44a	Excess Additional Tier I capital not reckoned for capital adequacy (difference between Additional Tier I capital as reported in row 44 and admissible Additional Tier I capital as reported in 44a)	
	of which: Excess Additional Tier I capital which is considered as Tier 2 capital under row 58b	
50	Eligible Provisions included in Tier 2 capital	14026.78
	Eligible Revaluation Reserves included in Tier 2 capital	0.00
	Total of row 50	14026.78
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	

Table DF - 13

Main Features of Regulatory Capital Instruments

S. No.	Disclosure template for main features of regulatory capital instruments	Equity Shares	Series - VII (A)	Series - VII (B)	Series - VIII	Series - IX
1	Issuer	LVB	LVB	LVB	LVB	LVB
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE694C01018	INE694C08039	INE694C08047	INE694C08054	INE694C08062
3	Governing law(s) of the instrument	Companies Act, SEBI Regulations, RBI Guidelines, and other related rules regulations etc	RBI Guidelines, SEBI Regulations, Companies Act and other related rules regulations etc	RBI Guidelines, SEBI Regulations, Companies Act and other related rules regulations etc	RBI Guidelines, SEBI Regulations, Companies Act and other related rules regulations etc	RBI Guidelines, SEBI Regulations, Companies Act and other related rules regulations etc
	Regulatory treatment					
4	Transitional Basel III rules	Common Equity Tier - I	Tier - II	Tier - II	Tier - II	Tier - II
5	Post-transitional Basel III rules	Common Equity Tier - I	Eligible	Eligible	Eligible	Eligible
6	Eligible at solo / group / group & solo	Solo	Solo	Solo	Solo	Solo
7	Instrument type	Common Shares	Unsecured Redeemable Non Convertible Subordinated (Tier- II) Bonds in the nature of Debentures (Bonds) Series - VII - Option A	Unsecured Redeemable Non Convertible Subordinated (Tier- II) Bonds in the nature of Debentures (Bonds) Series - VII - Option B	Unsecured Redeemable Non Convertible Subordinated (Tier- II) Bonds in the nature of Debentures (Bonds) Series - VIII	Unsecured Redeemable Non Convertible Subordinated (Tier- II) Bonds in the nature of Debentures (Bonds) Series - IX
8	Amount recognized in regulatory capital (₹ in lakhs)	19144.67	0.00	9.04	78.10	140.10
9	Par value of instrument (₹ in lakhs)	₹ 10 per share	10.00	10.00	10.00	5.00
10	Accounting classification	Shareholders Equity	Liability	Liability	Liability	Liability
11	Original date of issuance	Various Dates	10.02.2012	10.02.2012	24.03.2014	30.09.2015
12	Perpetual or dated	Perpetual	Dated	Dated	Dated	Dated
13	Original maturity date	No Maturity	10.02.2018	10.02.2022	24.03.2024	30.09.2025
14	Issuer call subject to prior supervisory approval	No	–	–	–	–
15	Optional call date, contingent call dates and redemption amount	NA	The bank has not reserved any call option to redeem these bonds prior to their maturity. These bonds are redeemable at par.	The bank has not reserved any call option to redeem these bonds prior to their maturity. These bonds are redeemable at par.	The bank has not reserved any call option to redeem these bonds prior to their maturity. These bonds are redeemable at par.	The bank has not reserved any call option to redeem these bonds prior to their maturity. These bonds are redeemable at par.

S. No.	Disclosure template for main features of regulatory capital instruments	Equity Shares	Series - VII (A)	Series - VII (B)	Series - VIII	Series - IX
16	Subsequent call dates, if applicable	–	–	–	–	–
	Coupons / dividends	–	–	–	–	–
17	Fixed or floating dividend / coupon	–	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	–	11.40%	11.40%	11.80%	11.50%
19	Existence of a dividend stopper	NA	No	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No
22	Noncumulative or cumulative	Non-cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	NA	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	NA	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA	NA
30	Write-down feature	No	No	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	NA	NA

S. No.	Disclosure template for main features of regulatory capital instruments	Equity Shares	Series - VII (A)	Series - VII (B)	Series - VIII	Series - IX
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA	All Depositors and other Creditor of the Bank	All Depositors and other Creditor of the Bank	All Depositors and other Creditor of the Bank	All Depositors and other Creditor of the Bank
36	Non-compliant transitioned features	–	–	–	–	–
37	If yes, specify non-compliant features	–	–	–	–	–

Table DF - 14

Full Terms and Conditions of Regulatory Capital Instruments

Details of Tier II Capital (Banks - Regulatory Capital instruments) raised by the Bank and the position as on 31.03.2017				
Instruments	**Series -VII (A)**	**Series - VII (B)**	**Series - VIII**	**Series - IX**
Date of Allotment	10.02.2012	10.02.2012	24.03.2014	30.09.2015
Date of Redemption	10.02.2018	10.02.2022	24.03.2024	30.09.2025
Rate of Interest	11.40%	11.40%	11.80%	11.50%
Amount	19950.00 Lacs	5050.00 Lacs	7810.00 Lacs	14010.00 Lacs
Nature of Instrument	Bonds in nature of Debentures (Bonds)	Bonds in nature of Debentures (Bonds)	Bonds in nature of Debentures (Bonds)	Bonds in nature of Debentures (Bonds)
Amount Subscribed	19950.00 Lacs	5050.00 Lacs	7810.00 Lacs	14010.00 Lacs
Face Value of the Bond	10.00 lacs	10.00 lacs	10.00 lacs	5.00lacs
Issuance, Trading and Listing	N S E	N S E	N S E	N S E

Leverage Ratio (Solo) **(₹ in lacs)**

Tier I Capital	195574.06
Total Exposure	3655418.03
Leverage ratio	5.35%

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
The Lakshmi Vilas Bank Limited
Karur

We have examined the compliance of conditions of Corporate Governance by **M/s. The Lakshmi Vilas Bank Limited** for the year ended 31st March, 2017 as stipulated under Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has compiled with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that no investor grievance is pending for a period exceeding one month against the Bank and as per the records maintained by the Stakeholders Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

K. MUTHUSAMY
Practicing Company Secretary
M No: F 5865; CP: 3176

Place : Coimbatore
Date : 22.05.2017

Auditor's Certificate on ESOS

This is to certify that M/s. The Lakshmi Vilas Bank Ltd, Chennai has implemented the Employees Stock Option Scheme 2010 (ESOS - 2010) in accordance with resolution passed by the Shareholders on 04th August 2010 and as per the Securities and Exchange Board of India Regulations.

For **M/s. R.K. KUMAR & CO.,**
Chartered Accountants
FRN - 001595S

(G. NAGANATHAN)
Partner
M. No. 022456

Place : Chennai
Date : 26th April, 2017

Annexure - A

MANAGEMENT DISCUSSIONS AND ANALYSIS

Industry Developments:

The agriculture sector remained resilient and rebounded on the strength of a normal monsoon after two consecutive years of near drought conditions, vigorous sowing activity and effective supply management by the Government. Seasonally adjusted q-o-q annualised GVA movements also confirm the weakening of growth in H2:2016-17 vis-à-vis H1. For H2, the October MPR had projected GVA growth of 7.7 per cent. It had noted that the actual outcome for Q1 had matched projections given in the April 2016 MPR. The CSO's estimates for Q2: 2016-17 GVA at 6.7 per cent undershot RBI staff's April projections sizeably, suggesting greater than expected loss of momentum. The projected pace of acceleration in agriculture on the back of favourable base effects did not materialise and output from allied activities slowed more than expected. Furthermore, the anticipation of an investment-driven boost to electricity generation and mining and quarrying was belied. Construction activity also weakened more than projected on weaker demand. The sharper loss of momentum was further evident in CSO's subsequent data releases. The rise in crude oil prices, which adversely affected corporate bottom lines, also contributed. In addition, the knock-on effects of demonetisation, especially in the industrial sector and some sub-components of the services sector pulled down GVA growth out of alignment with the October MPR projections, but these effects were much more muted and transitory than the loss of momentum in Q2 on the more endemic factors described earlier. Moreover, large unanticipated data revisions relating to the year also contributed to the deviations from the October MPR projections. These developments were closely monitored and reassessments were made in the December 2016 and February 2017 MPC resolutions in which the annual GVA growth projection was pared to 7.1 and 6.9 per cent, respectively. The impact of demonetisation on the overall GVA growth was mitigated by a significantly higher growth in agriculture and public administration and defence and other services (PADO) components of the services sector. Even after excluding government spending, the momentum of GVA growth remained broadly unchanged in Q3: 2016-17.

Agriculture: The growth of agriculture and allied activities accelerated in H2: 2016-17 on a y-o-y basis as well as sequentially, reflecting the record food grains production. Furthermore, adequate soil moisture, a reasonable northeast monsoon in the initial part of the season and comfortable reservoir levels (above the 10-year average) resulted in an increase in sowing of rabi crops by 5.7 per cent over a year ago. Higher sowing, particularly in wheat, pulses and oilseeds, coupled with other factors such as timely announcement of minimum support prices (MSPs) (especially for pulses) and availability of key agricultural inputs supported agricultural activity. It is important to note that rabi sowing in all subsequent weeks after the announcement of demonetisation remained higher than a year ago - except for the week ended November 18, 2016 - suggesting that there was no impact on sowing activity per se. The dwindling of wheat stocks below the quarterly buffer norm during August 2016 till date prompted an increase in wheat imports. Import of pulses also grew significantly during the year. The record production of wheat and pulses in 2016-17 is expected to augment stocks substantially and keep prices under check. The strong performance in food grains was not, however, matched by the horticulture sector. Its growth decelerated during 2016-17 as per advance estimates. Yet, livestock, barring wool production, grew at a robust pace, providing an alternate source of income to the rural population and supporting GVA from agriculture and allied activities as a whole.

Industrial Sector: Value added in the industrial sector decelerated in H2:2016-17 on a y-o-y basis, led by manufacturing. Sequentially, however, activity in the sector gained momentum in the same period, buoyed mainly by the better performance of the mining and quarrying sectors. Organised industry remained largely resilient in the face of demonetisation. The deceleration in the industrial sector was discernible even before the demonetisation - the IIP contracted by 0.3 per cent in the period April-October 2016 as compared with a growth of 4.8 per cent in the same period of the previous year. This deceleration was partly on account of the negative base effect relating to insulated rubber cables, which pulled down IIP (Chart III.10). Trimmed off insulated rubber cables, IIP growth during April-October 2016 was 3.0 percent. The subsequent waning of the negative base effect helped in propping up IIP, aided by a pick-up in momentum. The mining and quarrying segment slowed down from the beginning of 2016-17, mainly reflecting tepid coal production. Post demonetisation, the growth of the mining and quarrying sector, which is less cash intensive, accelerated sequentially. This was on account of improvement in coal production, although natural gas and crude oil production continued to contract. The impact of demonetisation on the manufacturing sector was transient - after contracting in December 2016, manufacturing output bounced back in January 2017. The manufacturing PMI, which had slipped in the contractionary zone in December 2016, expanded in January-March 2017. The performance of listed private companies remained resilient as sales and net profit growth improved at the aggregate level, although the performance of non-information technology (nonIT) service sector companies continued to be lacklustre. Sales in cash intensive sectors such as fast moving consumer goods (FMCG) and motor vehicles declined in Q3 vis-à-vis the previous quarter (Chart III.12a and b). However, lead indicators such as passenger car sales and consumer durables suggest that this impact was short-lived. The electricity sector recorded a sharp increase in H2:2016-17 on a y-o-y basis. Although thermal electricity production remained weak, nonconventional sources such as solar and wind energy have registered higher production while pulling down the price. With India taking significant strides in expanding non-conventional sources of energy, helped by an enabling policy environment, and with the expected improvement in the financial health of power distribution companies

(DISCOMs) after implementation of the Ujwal DISCOM Assurance Yojana (UDAY) scheme, the outlook for electricity generation has brightened considerably.

Services: The slowdown in the services sector, which became evident from Q1:2016-17, was sharper in H2:2016-17. Some service sectors were adversely impacted by demonetisation, albeit temporarily, especially construction and realty. The implicit CSO data for Q4, however, suggests that these effects to be waning. Steel consumption and cement production - lead indicators of construction activity - remained positive from Q2:2016-17, although there was a sharp decline in cement production since December. The government's continuing thrust on building infrastructure - as evident from a significant increase in both road projects awarded and constructed - and rural housing, should revive the construction sector in the period ahead. Trade, hotels, transport and communication are the other sectors, which are shrugging off the effects of demonetisation and gearing up for a revival. Tourist arrivals have picked up strongly in recent months. In the transport segment, major lead indicators such as commercial and passenger vehicles sales have revived from the lows of November/December 2016. Financial, real estate and business services have faced subdued conditions for the past four quarters as constraints on account of slowing bank credit pulled down its growth. Credit growth has continued to remain tepid, although insurance premiums witnessed a surge. The real estate segment, which largely reflects value addition by listed real estate companies, was impacted by demonetisation as evident in a sharp fall in the BSE realty index. Subsequently, these losses have been recouped as these transitory effects wore off. The business services segment largely reflects the performance of IT companies. Sales and profit of these companies remained robust. Nonetheless, the outlook for this segment is clouded by uncertainty in view of growing protectionist and anti-globalisation sentiments in the US. As said earlier, public administration and defence continued to exhibit robust growth throughout 2016-17 due to higher expenditure on account of the 7th CPC award and OROP. Given the commitment to fiscal consolidation, however, double digit growth in these segments may not sustain in 2017-18. Overall, for the services sector, lead/coincident indicators suggest some recovery in Q4 from a prolonged downturn and the more immediate hit from demonetisation.

Opportunities and Threats:

The baseline projections of growth and inflation presented in the preceding section are based on the assumptions set out. As usual, there are uncertainties surrounding these assumptions which could produce deviations from baseline projections.

(i) International Crude Oil Prices: The September 2016 announcement by OPEC of agreement on production cuts by members was met with scepticism. The signing of the agreement in end-November, however, led to a sharp jump in global crude oil prices. If OPEC sticks to the agreed production cuts of 1.2 mb/day till the next review of the agreement in May 2017, and the global crude oil production balance moves to a deficit by Q1:2017-18, upside risk to the crude oil trajectory over baseline estimates will heighten. Any supply disruptions due to geo-political developments could accentuate these upside risks. Assuming that crude prices increase to around US$ 60 per barrel under this scenario, inflation could be higher by around 30 bps and growth could be weaker by around 10 bps. Conversely, if some of the OPEC members do not adhere to the agreed production cuts and/or the shale gas producers continue to ramp up production, global prices could soften below the baseline. Should crude prices slip under this scenario to around US$ 45 per barrel by 2017-18, inflation could moderate by around 15 bps with growth benefitting by around 5 bps.

(ii) Global Demand: The baseline scenario assumes that global growth will accelerate during 2017 and 2018. Risks to the baseline could emanate from: (a) US fiscal expansion being less than expected or marked by delays; (b) the Federal Reserve's monetary policy response to expansionary fiscal policy being larger than expected, especially in the context of a recent assessment that the US economy is "closing in on full employment"; (c) the now pervasive spectre of protectionism affecting global trade; (d) continued concerns over the Chinese credit cycle; (e) volatile global crude oil and commodity prices; and (f) the implications of all these factors for international financial markets. Feedback loops can exaggerate the impact of several of these factors on global growth. Assuming that global growth in 2017 and 2018 remains the same as was recorded in 2016 (i.e., 30-50 bps below the baseline assumption), real GVA growth and inflation could turn out to be around 20 bps and 10 bps, respectively, below the baseline. The pace of global economic activity could be higher if the policy stimulus in the US turns out to be larger than currently expected. In this scenario, assuming global growth is 50 bps higher, domestic growth could turn out to be around 25 bps above the baseline. Inflation could be higher by around 10 bps on the back of higher domestic demand as also imported impulses from higher global commodity prices.

(iii) Seventh Central Pay Commission Allowances: The 7th CPC recommended an increase in house rent allowance (HRA) of 8-24 per cent of basic pay. The higher HRA would have a direct and immediate impact on headline CPI through an increase in housing inflation. Assuming a rate of increase in the HRA as proposed by the 7th CPC is implemented from early 2017-18 onwards and the State Governments implement a similar order of increase with a lag of one quarter, CPI inflation could be 100-150 bps higher than the baseline for 2017-18. The HRA impact on inflation is expected to persist for 6-8 quarters, with the peak effect occurring around 3-4 quarters from implementation. In addition, indirect effects could occur from elevated inflation expectations.

(iv) Exchange Rate: Recognizing that the domestic foreign exchange market witnessed heightened volatility in the aftermath of the US presidential elections, the risk of renewed turbulence in global financial markets on account of global downsides materializing

and associated volatility in domestic financial markets remains a clear and present danger to the Indian economy. A five percent depreciation of the Indian rupee, relative to the baseline assumption, could push up inflation by 10-15 bps in 2017-18. The depreciation, however, could have a favourable impact on growth in 2017-18 through a boost to net exports. In contrast, the combination of a benign global macroeconomic and financial environment, the expected acceleration in domestic growth and the policy initiatives to attract FDI flows can lead to an appreciation of the domestic currency, with a soothing impact on domestic inflation. A five percent appreciation of the Indian rupee, relative to the baseline assumption, could soften inflation by 10-15 bps in 2017-18.

(v) Deficient Monsoon: Rainfall dependence of Indian agriculture makes the broader economy vulnerable to monsoon outcomes. For this year, the baseline scenario assumes a normal south-west monsoon. In the event of a non-comfortable monsoon, assuming the growth of output of agriculture and allied activities suffers by one percentage point; overall GVA growth could be lower by around 20 bps in 2017-18. The concomitant increase in food prices could result in headline inflation rising 30 bps above the baseline. To sum up, economic activity should recover in 2017-18 on the back of the fast pace of remonetisation and the government's focus on capital expenditure, rural economy and housing. The global economic environment may improve modestly, albeit amidst several uncertainties. Headline inflation is projected to increase during 2017-18, calling for close vigilance and readiness for an appropriate monetary policy response, if warranted.

Outlook of the Bank:

Global growth is projected to pick up modestly in 2017, after slowing down in the year gone by. Advanced economies (AEs) are expected to build upon the slow gathering of momentum that started in the second half of 2016, led by the US and Japan. However, uncertainty surrounds the direction of US macroeconomic policies with potential global spillovers. Growth prospects for emerging market economies (EMEs) are also expected to improve moderately, with recessionary conditions ebbing in Russia and Brazil, and China stabilizing on policy stimulus. Inflation is edging up on the back of rising energy prices and a mild firming up of demand. However, global trade remains subdued due to an increasing tendency towards protectionist policies and heightened political tensions. Furthermore, financial conditions are likely to tighten as central banks in AEs normalize exceptional accommodation in monetary policy.

On the inflation outlook, transient factors, including anecdotal evidence on fire sales of perishables, have discolored an objective assessment of inflation pressures in recent months. Past experience suggests that the rebound in vegetable prices could be sharper than normal. Importantly, non-food non-fuel inflation has remained sticky, notwithstanding the transitory impact of demonetization on consumption demand. Crude oil and commodity prices (including for food) have firmed up globally, thereby potentially raising risks to the headline inflation. Domestic industrial input and farm costs, including rural wages, have increased in recent months. Inter alia cost push effects of 7th pay commission allowances, and exchange rate volatility arising from possible shifts in risk premia on a full rollout of US macroeconomic policies impart uncertainty to the inflation trajectory going ahead.

In the present stringent competitive environment, greater importance to be given for digital banking and sourcing low cost deposits, non-corporate quality advances and NPA reduction, which are affordable and earn profit to the Bank. Hence, growth in low cost deposits and high yielding advances would be a key factor to decide the pricing of our products and services, which is very vital for the overall business growth and profitability of the Bank.

The Bank had a product-centric approach to business, with staff being tasked with the responsibility of selling specific products. As a result, there was very little effort at cross-selling products to customers. In the system prevailing in the Bank in the past, branches largely sourced and drove client acquisition as well as relationship management. This has often led to a situation of conflict of interest with branch managers being guided more by relationship concerns rather than the Bank's financial goals.

As there was no separate relationship channel in the corporate or wholesale bank, in order to grow the book, the Bank had picked up a lot of high value assets on the basis of reference or syndication by other banks. The Bank itself had very little formal relationship with these clients and was often taken by surprise in times of the economic slowdown as stress developed in these assets. Thus the model followed by the Bank till the previous year was mostly ad-hoc with no specific long-term strategy for quality growth.

During the current year, the Bank went in for a complete re-engineering of its growth strategy. As a first step, in order to shift focus on to the customer from the Bank's products, customer segmentation was brought about. Accordingly, three strategic business units (SBU) were carved out. These were the Corporate Banking Group, the Retail Banking Group and the MSME and Rural Business Group. These SBUs would own their customers in respect of interactions that the Bank would have with them. Thus each SBU would carry targets for lending as well as deposits as well as other ancillary business opportunities that would be available for the Bank from time to time.

The above re-engineering has taken time and appropriate staffing is still work in process. However, this did come in the way of asset growth, though it may be said that, in the long run, it is hoped that this will lead to a much healthier book for the Bank.

No. of Branches as on 31.03.2017 - 480 Branches and 1 Satellite Branch.

No. of ATMs as on 31.03.2017 - 958 ATMs (362 Onsite and 596 Offsite).

Risk & Concern:

During the year the bank has taken steps to strengthen its risk management framework covering areas of credit risk, compliance risk, operational risk, market risk and liquidity risk in order to keep pace with requirements in terms of RBI guidelines and Basel prescriptions. Towards this end, the bank has strengthened Risk Management team during the year through induction of senior and experienced professionals.

During the year the bank has set up several executive level risk committees headed by MD or ED. A number of steps have been taken under their aegis to improve control environment and practice framework. The bank has also conducted studies in the area of IT Risk and steps are being taken to improve the bank's capabilities in the IT area from twin perspectives of business partnership and control environment. A comprehensive project to upgrade the risk management framework and practice and align to the advanced approached of Basel has been taken up during the year. This will improve bank's maturity level in the domain of risk. The risk management framework has been interlinked with process improvements to bring about lasting impact on bank's operations.

For the year ended March 31, 2017 the bank maintained a Capital Adequacy Ratio of 10.38% which is beyond the regulatory required threshold of 10.25%. Tier I capital level stood at 8.75% while Tier II capital stood at 1.63%. The bank raised an amount of ₹ 169 crores (approximately) through issue of equity shares under Qualified Institution Programme. In order to meet increased regulatory CRAR levels for FY 2018 and FY 2019 as well as to support its business plans for FY 2018 and onwards, the bank is working on further capital raising subject to approval of shareholders and regulators.

Internal Control Systems:

The Bank has put in place well-articulated internal control measures in tune with the complexity of business operations, organization's size and supervisory compliance standards. Dual control on transactions and assets, control returns review by controlling offices, periodic visit and review of branches by executives of controlling offices are a few major control mechanisms in place.

There is continuous review of the efficacy of the systems and the following Audit & Inspections are carried out:

- Risk based Internal Audit to measure the risk in branches and work out the mitigating techniques.
- Pre-disbursement Credit Audit, Credit Audit (Post Disbursement), Stock & Receivable Audit and Legal Audit.
- Revenue Audit/Income leakage audit and various snap audits to review specific areas of operation including compliance to inspection observation.
- Concurrent audit by Empaneled Chartered Accountant Firms.
- Information System Audit by Information System Auditors and trained inspectors/External Auditors.
- Statutory Audit of Branches and controlling offices by Chartered Accountant Firms in terms of guidelines of the Reserve Bank Of India.
- Management Audit of Controlling offices/ Departments at Corporate Office (C.O) by trained Internal Inspectors of Branches.

Software application has been implemented to enhance the efficiency and effectiveness of risk based internal audit and to have robust MIS on the risks and controls. Compliance function is strengthened through an independent compliance department and implementation of application software for monitoring statutory, regulatory and internal compliance. An executive level committee consisting of top executives review every inspection report and minutes of the committee meetings are reviewed by Audit Committee of the Board. The Audit Committee of the Board (ACB) oversees the entire audit function of the Bank and the compliance thereof.

Account opening process for CASA products has been centralized and for other liability products is under process. Similarly, setting up of a separate asset hub is in the offing to open loan and overdraft products centrally to take care of KYC compliance. Structured branch visits to ensure that branch operations are being carried out as per internal and regulatory guidelines. Let downs are being followed up and corrective actions are taken to minimize the operational risks. Bank has planned to implement "Enterprise-wide fraud and AML management" application to carry out real time online monitoring of transactions across

- Products: cards, current accounts, loans, etc.
- Channels: ATM, POS, branch, mobile, etc.
- Customers, employees and third parties.

Discussions on Financial Parameters with respect to Performance:

Business Segmentation:

Deposit	₹ in Crores	%	Advances	₹ in Crores	%
Demand Deposit	1844.74	6.04%	Bills purchased & discounted	863.82	3.64%
Savings Deposit	3999.61	13.09%	Cash Credits, overdrafts & loans repayable on demand	12796.50	53.93%
Term Deposit	24709.00	80.87%	Term Loan	10068.59	42.43%
Total	30553.35		Total	23728.91	

- Business mix expanded by ₹9207.56 cr (20.43%) from ₹45074.70 cr to ₹54282.26 cr Y-o-Y.
- CASA portfolio has grown by ₹1423.47 cr from ₹4415.51 cr to ₹5838.98 cr.CASA % increased from17.36% to 19.11%.
- NII recorded y-o-y growth of ₹137.35 cr (21.28%) from ₹645.31 cr to ₹782.65 cr.
- NIM for 2016-17 stood at 2.85% (PY 2.78%).
- Operating profit up by 55.74% from ₹407.12 cr to ₹634.06 cr.
- Net profit increased by 42.08% from ₹180.24 cr to ₹256.07 cr
- Cost to Income ratio decreased to 50.67% (PY 57.14%)
- Asset quality - Gross NPA 2.67% (1.97%) and Net NPA 1.76% (PY 1.18%)
- Provision Coverage Ratio at 59.51% (PY 68.55%)
- Capital Adequacy Ratio (Basel III) stood at 10.38% (PY 10.67%)
- ROA and ROE stood at 0.83% (PY 0.70%) and 14.39% (PY 11.74%)

Staff / Industrial Relations

The Bank's staff strength has grown to 4043 at the end of the financial year 2016-17. Specialist Officers / Executives in Credit, Law, IT, Treasury, MSME, Retail Assets & Transaction Banking, Commercial Banking Operations, Risk Management and other specialized verticals were recruited during the year. Manpower requirements were continuously assessed. The Bank maintains cordial relationship with the Employees' Union and Officers' Association which will pave way for fast-tracking the growth of the Bank and augment the productivity among peer levels.

Training is commensurate with the necessities of updating knowledge so as to equip human resources to meet the emerging challenges and newer forms of risk that are technology driven. Credit skills enhancement, NPA management, Risk Management, KYC compliance and Enhanced Customer Service are being emphasized by nominating the staff members to reputed external training institutions. As part of succession planning, Leadership Development Program was conducted for 25 Executives at Great Lakes Institute of Management.

To focus on internal talent pool development, MD has released a slogan "People for Future and Future for People". Under the same a well-defined succession planning programme has been put in place which may be summarized as follows:

I. Identification of Resources
   - Based on the selection criteria

II. Pre-Assessment
   - Assessing skills and competencies through scientific approach

III. Mentoring the Resources
   - Competency development through training
   - Continuous coaching and mentoring
   - Evaluation by assigning two live projects

IV. Post-Assessment
   - Re-assess skills and competencies along with 360^{o} feedback

Further, successors have been identified for the Heads of all Business verticals as well as Support Functions. The identified successors shall be undergoing a leadership development program to enhance their competencies and also go through the above succession planning process.

Through our Staff Training College (Lakshmi Vidhya Bhavan) 15 regular technical skill trainings and 5 niche skill training shall be conducted in collaboration with Manipal Institute of Banking, Bangalore.

Annexure - B

BOARD OF DIRECTORS AND COMMITTEES

The composition of the Board of Directors is governed by the provisions of the Companies Act, 2013, Banking Regulation Act, 1949, Listing Agreement entered with National Stock Exchange of India Limited, Mumbai and BSE Limited, Mumbai and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable. The Board has 13 Directors as on 31.03.2017, of which 2 Directors are Executive Directors, 3 Directors are Non-Executive and Non-Independent Director, 6 Directors are Independent Directors and 2 Directors are RBI Nominees and none of the Directors are related to each other.

The members of the Board are eminent persons with considerable professional expertise and experience in Banking, Law, Accountancy, Engineering, Finance, Information Technology, Agriculture, Small Scale Industry and Business. Details of the Directors, number of meetings held during the year and attendance during the year are provided in Annexure C.

During the year under review, thirteen (13) Board Meetings were held. The Meetings were held on 27.04.2016, 06.05.2016, 09.06.2016, 10.06.2016, 01.07.2016, 20.07.2016, 01.09.2016, 27.09.2016, 17.10.2016, 26.12.2016, 19.01.2017, 17.02.2017 and 21.03.2017.

Committees of Directors:

The Board has constituted various Committees of Board to deal with matters, which need special and continued focus and timely monitoring of the activities falling within the terms of reference of the Committees and in compliance with the various regulatory requirements. The details pertaining to the Composition of the Committee, its Chairman and Members and the details of the Meetings held and attendance during the year under review, are provided in Annexure C. The details of such specialized Board Committees as on 31.03.2017 are as under:

Audit Committee:

Audit Committee of the Board, is chaired by Shri Prakash P Mallya an Independent Director. Audit Committee provides direction and oversees the operation of total audit function in the Bank as per RBI guidelines. The terms of reference of Audit Committee are in accordance with RBI guidelines, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act 2013 and include the following:

- Overseeing the Bank's financial reporting process and the disclosure of its financial information to ensure correct, adequate and credible disclosure of financial information.
- Recommending appointment, terms of appointment including remuneration and reviewing the performance of auditors including statutory auditors.
- Reviewing with management the annual financial statements before submission to the Board with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements.
- Reviewing the adequacy of the Audit and Compliance function, including their policies, procedures, techniques and other regulatory requirements.

During the year, Nine (9) meetings were held. The Meetings were held on 27.04.2016, 06.05.2016, 20.07.2016, 12.08.2016, 17.10.2016, 26.12.2016, 19.01.2017, 27.01.2017 and 21.03.2017.

Nomination, Remuneration and Compensation Committee:

The Committee is constituted as per the legal and regulatory requirements under the Banking Regulation Act, SEBI Regulations and the Companies Act, 2013.

The scope of the Committee includes the following:

1. Scrutiny of the declarations submitted by the directors and for carrying out the due diligence process for the appointment of directors as per RBI Circular DBOD.No.BC.104/08.139.001/2003-04 dated 25.06.2004.
2. Overseeing the framing, review and implementation of compensation policy of the bank on behalf of the Board as laid down in the Reserve Bank of India circular No.BC 75/29.67.001/2011-12 dated January 13, 2012 being the guidelines issued on the compensation of Whole Time Directors / Chief Executive Officers / Risk takers and Control function staff, etc.
3. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
4. Formulation of criteria for evaluation of performance of Independent Directors and the Board;
5. Devising a policy on Board diversity;

6. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
7. Framing of detailed terms and conditions of the ESOS as per Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014, besides the administration and superintendence of the ESOS scheme and to ensure that there is no violation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, by any employee.

The scope and role of the Committee shall also include such other assignments as is and as may be assigned by the regulatory / statutory authorities from time to time.

The details pertaining to the criteria for performance evaluation for Independent Directors is mentioned in the Directors' Report.

During the year, seven (7) meetings were held. The Meetings were held on 06.05.2016, 09.06.2016, 20.07.2016, 31.08.2016, 26.12.2016, 18.01.2017 and 17.02.2017.

Stakeholders Relationship Committee:

The Stakeholders Relationship Committee specifically looks into the redressal of grievances of shareholders and other security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends. Details of name of the Chairman & members of the Committee, Compliance Officer, meetings and attendance during the year are provided in another part of this Annual Report. The terms of reference of Stakeholders relationship Committee are in accordance with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the year, four (4) meetings were held. The Meetings were held on 09.06.2016, 31.08.2016, 21.11.2016 and 01.03.2017.

Risk Management Committee:

The Risk Management Committee, constituted as per RBI guidelines, formulates Bank's credit and Market risk policies and reviews the Assets and Liabilities of the Bank based on periodical structural liquidity and dynamic liquidity statements on outflows and inflows and also analyses the interest rate sensitivity of assets and liabilities.

During the year, four (4) meetings were held. The Meetings were held on 26.04.2016, 31.08.2016, 26.12.2016 and 20.03.2017.

Fraud Monitoring Committee & Review Committee on Non-cooperative borrowers:

Pursuant to the Directions of the Reserve Bank of India, the Bank has constituted a Fraud Monitoring Committee, exclusively dedicated to the monitoring and following up of cases of fraud involving amounts of Rs.1 crore and more. The objective of this Committee is the effective detection of frauds and ensuring prompt reporting thereof to regulatory and enforcement agencies. This Committee also functions as the Review Committee on Non-cooperative borrowers.

During the year, three (3) meetings were held. The Meetings were held on 15.04.2016, 12.08.2016 and 28.02.2017.

Customer Service Committee:

Pursuant to the Directions of the Reserve Bank of India, the Bank has constituted a Customer Service Committee exclusively dedicated to bring about improvement in the quality of customer service provided by the bank.

During the year, two (2) meetings were held. The Meetings were held on 28.09.2016 and 01.03.2017.

Management Committee:

Pursuant to the Directions of the Reserve Bank of India, the Bank has constituted a Management Committee of the Board which is vested with full powers for sanction / ratification of all kinds of loans and advances normally falling within the purview of the lending policies framed by the Board from time to time and full powers for approving compromise proposals in respect of loans and advances normally falling within the purview of the compromise policy framed by the bank from time to time and approval of capital and revenue expenditure, filing suits / appeals, premises approval, infrastructure improvement, investments and any other matter referred to / delegated to the Committee by the Board.

During the year, fourteen (14) meetings were held. The Meetings were held on 15.04.2016, 26.04.2016, 09.06.2016, 01.07.2016, 19.07.2016, 12.08.2016, 31.08.2016, 28.09.2016, 21.11.2016, 27.12.2016, 18.01.2017, 16.02.2017, 01.03.2017 and 20.03.2017.

IT Strategy Committee:

Pursuant to the Directions of the Reserve Bank of India, the Bank has constituted an IT Strategy Committee of the Board and the roles and responsibilities of this Committee includes oversight of the IT strategy and policy documents, measuring the contribution of IT to business and ensuring that the IT organizational structure complements the business model. The Committee also exercises the powers to approve all the proposals and their resultant expenditure pertaining to Information Technology and Alternate Channels & ATMs.

During the year, five (5) meetings were held. The Meetings were held on 26.04.2016, 31.08.2016, 27.12.2016, 16.02.2017 and 28.02.2017.

HR Committee:

The role of the HR Committee of Board includes powers for framing policies for recruitment, compensation, incentives, training, promotion, transfer, service conditions, disciplinary proceedings, performance appraisal, etc.

During the year, six (6) meetings were held. The Meetings were held on 06.05.2016, 01.07.2016, 28.09.2016, 21.11.2016, 27.12.2016 and 10.03.2017.

CSR Committee:

Formulated as per Section 135 and Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014, the Committee exercises such powers as laid down under the applicable provisions of the Act and the Rules thereto.

During the year, four (4) meetings were held. The Meetings were held on 09.06.2016, 28.09.2016, 26.12.2016 and 28.02.2017.

Committee of Directors for Capital Raising:

The Board has constituted a Committee for Capital Raising, which deals with capital raising plans and such relevant scope as the Board may authorize from time to time.

During the year, six (6) meetings were held. The Meetings were held on 15.04.2016, 10.06.2016, 26.12.2016, 28.12.2016, 31.12.2016 and 03.01.2017.

Meeting of Independent Directors:

In accordance with Section 149(7) and Schedule IV of the Companies Act, 2013 an exclusive meeting of the Independent Directors of the Bank was held on 10.06.2016 and 28.02.2017.

Willful Defaulters Grievances Redressal Committee:

This Committee has been formulated in line with the RBI Master Circular on Willful Defaulter dated 01st July 2014 and 07th January 2015.

During the year, one (1) meeting was held on 28.02.2017.

Details of Sitting Fees Paid to Directors:

All the Non-Executive Directors were paid remuneration only by way of sitting fees for each Board / Committee Meetings. No stock options were granted to any of the Non-Executive Directors. The Non-Executive Directors were paid ₹ 35,000/- as sitting fees which is within the limits prescribed under the Companies Act, 2013.

Additional Information pertaining to Directors' Retiring by Rotation:

At the 90th AGM, Shri N. Malayalaramamirtham, Director is retiring by rotation and being eligible, offers himself for reappointment. The additional information to be provided to the Shareholders pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 about the retiring director seeking re-election is furnished in the Notice.

Annexure-C

Composition of the Board of Directors together with the attendance at meetings of the Board, its Committees and Annual General Meeting and directorship held from 01.04.2016 to 31.03.2017

Name of the Director, DIN & No. of Shares held by them as on 31.03.2017	Chairman of the Board / Committee as on 31.03.2017	Representation as per Banking Regulation Act	Category as per SEBI (LODR)	Board (13 meetings)	Audit Committee of the Board (ACB) (9 meetings)	Stakeholders Relationship Committee (SRC) (4 meetings)	Management Committee of the Board (MCB) (14 meetings)	Risk Management Committee (RMC) (4 meetings)	Infrastructure Development Committee (IDC) (7 meetings)	Customer Service Committee (CSC) (2 meetings)	Fraud Monitoring Committee and Review Committee on Non-Co operative Borrowers (FMC & RC on NCB) (3 meetings)	Compensation Committee (CCB) (1 meeting)	IT Strategy Committee of the Board (ITSC) (5 meetings)	HR Committee of the Board (HRC) (6 meetings)	Nomination, Remuneration & Compensation Committee (NRCCB) (6 meetings)	Corporate Social Responsibility Committee (CSRC) (4 meetings)	Meeting of Independent Directors (2 meetings)	COD on Capital Raising (6 meetings)	Wilful Defaulters Review Committee (WDRC) (1 meeting)	Annual General Meeting	No. of Other Director-ships held as on 31.03.2017	Other Companies Name in which he is the Director as on 31.03.2017	Other Companies in which he is the Chairman of any Committee
Mr.Parthasarathi Mukherjee Managing Director DIN 02446180 (No. of Shares: Nil)	RMC, FMC & RC on NCB, MCB, HRC, COD for Capital Raising, WDRC, Gratuity Trust, Provident Fund Trust & Pension Trust	Majority - Banking	Non Independent / Executive	13	NA	NA	14	4	7	2	3	NA	5	6	NA	4	NA	6	1	YES	Nil	Nil	Nil
Mr.N.S.Venkatesh Executive Director DIN 01893686 (No. of Shares: Nil) (From 01.07.2016)		Majority - Banking	Non Independent / Executive	9	7	NA	10	3	5	1	1	NA	3	5	NA	2	NA	4	NA	NA	1	M/s.Clearcorp Dealing Systems (India) Limited (Subsidiary of Clearing Corporation of India Limited)	Nil
Mr.D.L.N.Rao DIN 02305079 (Till 13.08.2016)		Majority - Law	Independent / Non-executive	6	4	NA	NA	NA	2	NA	2	1	NA	2	2	NA	1	NA	NA	YES	NA	NA	NA
Mr.K.R.Pradeep DIN 00153097 (Till 26.02.2017)		Minority - Consultancy	Non Independent / Non-executive	12	NA	3	12	3	5	NA	NA	1	4	5	5	2	NA	6	NA	YES	NA	NA	NA
Mr.S.G.Prabhakharan DIN 00005140 (No. of Shares : 4004)	CSRC	Minority - Business	Non Independent / Non-executive	11	7	NA	NA	4	NA	NA	NA	NA	NA	NA	NA	4	NA	5	NA	YES	2	M/s. XS Real Properties Private Ltd M/s. Ariston Capital Asset Holdings Private Ltd	Nil
Mr.S.Datathreyan DIN 00724456 (No.of Shares: 125998)	SRC & CSC	Majority - Small Business Enterprises	Independent / Non-executive	11	8	4	9	3	NA	2	3	NA	NA	NA	6	NA	2	NA	NA	YES	1	M/s. Vaibhav Polycot (P) Ltd	Nil
Mr.P.A.Shankar DIN 06658477 (Till 02.06.2016)		Majority - Agriculature and Rural Economy	Independent / Non-executive	2	NA	NA	2	NA	1	NA	1	NA	NA	NA	1	NA	NA	NA	NA	NA	NA	NA	NA
Mr.N.Malayalaramamirtham DIN 06846587 (No. of Shares: 81628)		Minority - Business	Non Independent / Non-executive	13	NA	4	14	NA	7	NA	3	NA	NA	NA	NA	1	NA	NA	NA	YES	Nil	Nil	Nil
Smt.E.V.Sumithasri DIN 07087197 (No. of Shares: 100)		Majority - Information Technology	Independent / Non-executive	11	NA	4	7	NA	5	NA	NA	NA	4	NA	NA	3	2	NA	NA	YES	Nil	Nil	Nil
Mr.Y.N.Lakshminarayana Murthy DIN 07534836 (No. of Shares: Nil) (From 10.06.2016)		Majority - Agriculature and Rural Economy	Independent / Non-executive	6	NA	NA	NA	NA	NA	1	1	NA	NA	NA	3	NA	2	NA	NA	NA	Nil	Nil	Nil
Mr.Kusuma R Muniraju DIN 02111974 (No. of Shares: 432583) (From 01.07.2016)	NRCCB	Majority - Law	Independent / Non-executive	7	5	NA	NA	NA	NA	NA	2	1	NA	4	3	NA	1	NA	1	NA	1	M/s. Kanya Investments Private Limited	Nil
Mr.Pankaj Vaish DIN 00367424 (No. of Shares:100)	ITSC	Majority - Information Technology	Independent / Non-executive	12	7	NA	NA	NA	NA	2	NA	NA	5	6	NA	NA	2	6	NA	YES	Nil	Nil	Nil
Mr.Prakash P Mallya DIN 02412404 (No. of Shares:100)	ACB	Small Scale Industry (Special Knowledge) and Banking (Practical Experience)	Independent / Non-executive	11	9	NA	13	4	NA	NA	NA	1	5	5	3	NA	2	NA	1	YES	1	M/s. Stock Holding Corporation of India Ltd.	M/s. Stock Holding Corporation of India Ltd.
Smt.Anuradha Pradeep DIN 00291763 (No. of Shares: 6216) (From 21.03.2017)		Minority - Law	Non Independent / Non-executive	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	3	M/s. Pranava Electronics Pvt Ltd., M/s. Kare Electronics and Development Pvt Ltd. M/s. Kare Investments Pvt Ltd.,	Nil
Mr.Suvendu Pati DIN 07452701 (No.of Shares: Nil)		RBI Nominee	Non Independent / Non-executive	12	9	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	No	Nil	Nil	Nil
Mr.Vivek Srivastava DIN 07532303 (No.of Shares: Nil) (From 13.05.2016 till 17.05.2017)		RBI Nominee	Non Independent / Non-executive	8	5	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	No	Nil	Nil	Nil
Mr.K.Babuji DIN 07191123 (Till 13.05.2016)		RBI Nominee	Non Independent / Non-executive	1	1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

ATTENDANCE AT AUDIT COMMITTEE MEETINGS FOR THE FY 2016-2017

Name of the Committee Members (Sarvashree)	Category of Director	Meeting details			Whether attended last AGM (Y/N)
		Held during the tenure of director / invitee	Attended	% of total	
Prakash P Mallya	Chairman - NED/Independent	9	9	100%	YES
N.S.Venkatesh	Executive Director	7	7	100%	NA
S.G.Prabhakharan	NED/Non Independent	9	7	78%	YES
S.Dattathreyan	NED/Independent	9	8	89%	YES
Pankaj Vaish	NED/Independent	7	7	100%	YES
Kusuma R Muniraju	NED/Independent	7	5	71%	NA
Suvendu Pati - RBI Nominee	NED/Non Independent	9	9	100%	NO
Vivek Srivastava - RBI Nominee	NED/Non Independent	7	5	71%	NO
K.Babuji - RBI Nominee (Till 13.05.2016)	NED/Non Independent	2	1	50%	NO
D.L.N.Rao (Till 13.08.2016)	NED/Independent	4	4	100%	YES

ATTENDANCE AT NOMINATION, REMUNERATION & COMPENSATION COMMITTEE MEETINGS FOR THE FY 2016-2017

Name of the Committee Members (Sarvashree)	Category of Director	Meeting details		
		Held during the tenure of director / invitee	Attended	% of total
Kusuma R Muniraju	Chairman - NED/Independent	4	3	75%
S.Dattathreyan	NED/Independent	6	6	100%
Prakash P Mallya	NED/Independent	3	3	100%
Y.N.Lakshminarayana Murthy	NED/Independent	4	3	75%
P.A.Shankar (Till 02.06.2016)	NED/Independent	1	1	100%
D.L.N.Rao (Till 13.08.2016)	NED/Independent	2	2	100%
K.R.Pradeep (Till 26.02.2017)	NED/Non Independent	6	5	83%

STAKEHOLDER'S RELATIONSHIP COMMITTEE FOR THE FY 2016-2017

Name of the Non Executive Director heading the Committee	Shri S.Dattathreyan - Independent / Non Executive
Name and designation of Compliance Officer	Shri N.Ramanathan - Company Secretary & Compliance Officer
Number of Shareholders' Complaints received so far	1
Number not solved to the satisfaction of shareholders	Nil
Number of pending complaints	Nil

INFORMATION ABOUT SHARE TRANSFER WORK TO A DELEGATED AUTHORITY

Description of delegated authority	Full Address of delegated authority	Telephone Numbers	Fax Numbers	E-Mails ID
Name and designation of officer of the Company	Mr.N.Ramanathan Company Secretary / Compliance Officer Lakshmi Vilas Bank Limited Corporate Office, "LVB House" No.4, Sardar Patel Road, Guindy, Chennai - 600 032	044 - 22205306	044 -22205317	secretarial@lvbank.in
Name of Board Committee and Chairman's Name	Stakeholders Relationship Committee Mr.S.Dattathreyan Lakshmi Vilas Bank Limited Corporate Office, "LVB House" No.4, Sardar Patel Road, Guindy, Chennai - 600 032	044 - 22205306	044 -22205317	dattud11@rediffmail.com
Registrar and Share Transfer Agents	M/s.Integrated Registry Management Services Private Ltd., II Floor, "Kences Towers" No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017	044 - 28140801 28140802 28140803	044- 28142479 28143378	lvb@integratedindia.in

Annexure - D

GENERAL SHAREHOLDERS' INFORMATION

Means of Communication:

The Bank published its financial - quarterly and annual results in English language in "Business Line" / "Business Standard" newspaper and in vernacular language in "Dinamani" newspaper. The results are displayed on the Bank's website at **www.lvbank.com**. The official news releases and the presentations made to the institutional investors or to the analysts are also displayed in the website.

Management discussion and analysis forms part of the Annual Report, which has been sent to the shareholders of the Bank.

Financial Year 2016-2017:

90th Annual General Meeting:

Date & Time: 18th July, 2017 at 10.00 a.m.

Venue: Registered Office, Salem Road, Kathaparai, Karur - 639 006, Tamilnadu.

Book closure and Dividend payment:

The Register of Members and the Share Transfer Books of the Bank will remain closed from 11.07.2017 to 17.07.2017 (both days inclusive) to determine the dividend entitlement. The Dividend, on approval by shareholders shall be paid, within the prescribed period, to those members holding physical shares whose names stand on the Register of Members of the Bank as at 17.07.2017 and in case of dematerialized shareholding, to those beneficial owners whose name stand on the records of the Depositories as at the close of working hours on 10.07.2017.

Information of last three Annual General Meetings held:

The 87th, 88th and 89th Annual General Meetings were held on 26th September 2014, 03rd September 2015 and 10th June 2016 respectively.

Details of Special Resolutions passed during the last three AGMs are as below:

87th AGM - 26-09-2014 - 10.00 a.m. - Registered Office, Karur:

Special Resolution passed at the Meeting:

Item No. 15 - "RESOLVED THAT pursuant to the provisions of Section 62 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the provisions of Memorandum & Articles of Association of the Bank, the Listing Agreement entered into with the Stock Exchanges (Stock Exchanges), the provisions of Securities and Exchange Board of India (SEBI) Act 1999 as amended fromtime to time, Foreign Exchange Management Act (FEMA) 1999 as amended from time to time, and any other statutory guidelines/ regulations, if any, prescribed by the SEBI, Reserve Bank of India (RBI), the Stock Exchanges, the Government of India (GOI) or any other relevant authority from time to time, to the extent applicable, and subject to such approvals, consents, permissions, and sanctions as may be required and subject to such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Bank (herein after referred to as "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent of the Bank be and is hereby accorded to the Board to create, issue, offer and allot, up to 4,25,00,000 Equity Shares of ₹ 10/- each or hybrid instruments / securities resulting in, up to 4,25,00,000 Equity shares of ₹ 10/- each (including the provisions for reservation on firm and /or competitive basis, of such part of issue and for such categories of persons as may be permitted) in the course of one or more public or private offerings in domestic and / or international market(s), either in the form of Qualified Institutional Placement (QIPs) to Qualified Institutional Buyers (QIBs) and / or Equity Shares through Depository Receipts, including in the form of Global Depository Receipts (GDRs) and /or American Depository Receipts (ADRs) to eligible investors (whether residents and / or non-residents and / or strategic investors and / or institutions / banks and / or incorporated bodies and / or individuals and / or trustees and / or stabilization agents and / or mutual funds and / or venture capital funds, and / or Indian and / or multi-lateral financial institutions or otherwise, and irrespective of whether or not such investors are members of the Bank, through prospectus and /or letter of offer or circular and /or on public and / or private, such issue and allotment to be made at such time(s) in one or more tranches, at such price or prices, in such manner, on such terms and conditions as the Board, may in its absolute discretion, decide at the time of issue of the aforesaid Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the Mode of Issue viz QIPs, Public Offerings, Private Placements, GDRs, ADRs etc under the respective guidelines and fix the quantum of Issue, terms of the Issue(s), including the class of Investors, to whom the Securities are to be allotted, number of Securities to be

allotted in one or more tranches, issue price, face value, premium amount on issue / conversion of Securities etc in respect of each Mode of Issue within the overall limit of 4,25,00,000 Equity Shares of ₹ 10/- each, subject to the applicable guidelines for each Mode of Issue.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices etc.

RESOLVED FURTHER THAT the Bank and/or any agency or body or persons authorised by the Board, may issue Equity Shares and/or Depository Receipts representing the underlying Equity Shares in the Capital of the Bank or such other Securities in negotiable, registered or bearer form (as may be permissible) with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations (including listing on one or more stock exchanges in and/or outside India).

RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of Equity Shares and / or Depository Receipts shall be as per the applicable guidelines of Securities and Exchange Board of India.

RESOLVED FURTHER THAT the Board be and is hereby authorised to create, issue offer and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred to above and as may be necessary in accordance with the terms of the offer, subject to the provisions of Memorandum and Articles of Association of the Bank and shall rank pari passu inter se with the then existing equity shares of the Bank in all respects including as to dividend.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorised on behalf of the Bank, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in this regard in its absolute discretion and deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Executives of the Bank."

Item No. 16 - "RESOLVED THAT in supersession of the resolution passed at the 81st Annual General Meeting held on 14th August 2008, subject to the applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Companies Act, 2013 and all other applicable laws, rules, guidelines (including any statutory modification or re-enactment thereof for the time being in force) and subject to all applicable approvals and permissions and sanctions and subject to such conditions as may be prescribed by the concerned authorities while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Bank, consent of the Bank be accorded for acquiring shares of the bank by permitted foreign investors including FII's, FDI's and NRI's by purchase or acquisition on the recognized Stock Exchanges, subject to the condition that the individual holding of the above investors shall not exceed 5% of the paid up capital which is subject to the regulatory approval and the total holding of all the Foreign Investors together shall not exceed 49% of the paid up equity share capital of the Bank within which the aggregate NRI holding shall not exceed 24% or both increased to such other maximum limit as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the object of the above resolution."

RBI Nominee Directors Shri R.Ravikumar and Shri Ashok Narain did not attend the AGM (i.e., 26.09.2014) and remaining all Directors attended.

88th AGM - 03-09-2015 - 10.00 a.m. - Registered Office, Karur:

Special Resolution passed at the Meeting:

Item No. 7 - "RESOLVED THAT pursuant to the provisions of Section 42, 62 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and such other rules as may be issued from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and in accordance with the provisions of Memorandum & Articles of Association of the Bank, the Listing Agreement entered into with the Stock Exchanges (Stock Exchanges), the provisions of Securities and Exchange Board of India ("SEBI") Act 1999, as amended from time to time, Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, ("SEBI ICDR Regulations"), as amended, Foreign Exchange Management Act (FEMA) 1999, as amended from time to time, and any other statutory guidelines / regulations, if any, prescribed by the SEBI, Reserve Bank of India (RBI), the Stock Exchanges, the Government of India ("GOI") or any other relevant authority from time to time, to the extent applicable, and subject to such approvals, consents, permissions, and sanctions as may be required and subject to such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent of the Bank be and is hereby accorded to the Board to create, issue, offer and allot, up to 4,25,00,000 Equity Shares of ₹ 10/- each or hybrid instruments / securities resulting in, up to 4,25,00,000 Equity shares of ₹ 10/- each (including the provisions for reservation on firm and /or competitive basis, of such part of issue and for such categories of persons as may be permitted) in the course of one or more public or private offerings in domestic and / or international market(s), either in the form of

Qualified Institutional Placement (QIPs) to Qualified Institutional Buyers (QIBs) and / or Equity Shares through Depository Receipts, including in the form of Global Depository Receipts (GDRs) and / or American Depository Receipts (ADRs) to eligible investors (whether residents and / or non-residents and/or strategic investors and / or institutions / banks and / or incorporated bodies and / or individuals and / or trustees and / or stabilization agents and/or mutual funds and / or venture capital funds, and/or Indian and / or multilateral financial institutions or otherwise, and irrespective of whether or not such investors are members of the Bank, through prospectus and / or letter of offer or circular and / or on public and/or private, such issue and allotment to be made at such time(s) in one or more tranches, at such price or prices, in such manner, on such terms and conditions as the Board, may in its absolute discretion, decide at the time of issue of the aforesaid Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby also authorised to determine the form, terms and timing of the issue(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount in issue / conversion / exercise / redemption, rate of interest, redemption period, listings on one or more stock exchanges in India or abroad as the Board may in its absolute discretion deems fit and to make and accept any modifications in the proposals as may be required by the authorities involved in such issue(s) in India and / or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

RESOLVED FURTHER THAT in case of a qualified institutional placement pursuant to Chapter VIII of the SEBI ICDR Regulations, the allotment of Securities (or any combination of the Securities as decided by the Board) shall only be to Qualified Institutional Buyers within the meaning of Chapter VIII of the ICDR Regulations, such Securities shall be fully paid up and the allotment of such Securities shall be completed within 12 months from the date of this resolution at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations and the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the ICDR Regulations.

RESOLVED FURTHER THAT in case of QIP issue the relevant date for determination of the floor price of the Equity Shares to be issued shall be - I. in case of allotment of equity shares, the date of meeting in which the Board decides to open the proposed issue. II. in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices, etc.

RESOLVED FURTHER THAT the Bank and / or any agency or body or persons authorised by the Board, may issue Equity Shares and/or Depository Receipts representing the underlying Equity Shares in the Capital of the Bank or such other Securities in negotiable, registered or bearer form (as may be permissible) with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations (including listing on one or more stock exchanges in and / or outside India).

RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of Equity Shares and/or Depository Receipts shall be as per the applicable guidelines of Securities and Exchange Board of India.

RESOLVED FURTHER THAT the Board be and is hereby authorised to create, issue, offer and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred to above and as may be necessary in accordance with the terms of the offer, subject to the provisions of Memorandum and Articles of Association of the Bank or other applicable legal provisions and shall rank pari passu inter se with the then existing equity shares of the Bank in all respects including as to dividend.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorized on behalf of the Bank, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in this regard in its absolute discretion and deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Executives of the Bank."

Item No. 8 - "RESOLVED THAT pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules made thereunder, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the applicable provisions of the Banking Regulation Act, 1949, as amended, and the rules, circulars and guidelines issued by Reserve Bank of India ("RBI") from time to time (including any statutory amendment(s) or modification(s) or reenactment(s) thereof for the time being in force) and all other relevant provisions of applicable law(s), the provisions of the Memorandum and Articles of Association of the Bank and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory or regulatory authority(ies), the approval of the Members of the Bank be and is hereby accorded for borrowing / raising funds in Indian / foreign currency by issue of debt securities including but not limited to

nonconvertible debentures, bonds (including bonds forming part of Tier I / Tier II capital in accordance with and subject to the terms and conditions specified in the Basel III Capital Regulations prescribed by RBI, long-term infrastructure bonds or such other bonds as may be permitted by RBI from time to time) upto ₹ 500 Crores (Rupees Five Hundred Crores Only) (collectively the "debt securities") by the Bank, in one or more tranches and / or series, in domestic and / or overseas market, as per the agreed structure permitted by RBI and other regulatory authorities, to eligible investors on private placement basis during a period of one year from the date of passing of this resolution, within the overall borrowing limits of the Bank, as approved by the Members, from time to time.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "Board") of the Bank or any Committee of the Board or such other persons as may be authorized by the Board, be and are hereby authorized to negotiate, modify and finalize the terms and conditions of the debt securities and sign the relevant documents / agreements in connection with the private placement of the debt securities, including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, debenture subscription agreement, debenture trust deed and any other documents as may be required, in connection with the offering(s), issuance(s) and / or allotment(s) on private placement of debt securities by the Bank and to further delegate the above powers to any Committee of Directors or any personnel of the Bank to act on their behalf as they may deem fit and to do all such other acts and things and to execute all such documents as may be necessary for giving effect to this resolution."

Shri S.G.Prabhakharan, Director, RBI Nominee Directors Shri Vivek Deep and Shri K.Babuji did not attend the AGM (i.e., 03.09.2015) and remaining all Directors attended.

89th AGM - 10-06-2016 - 10.00 a.m. - Registered Office, Karur:

Special Resolution passed at the Meeting:

Item No.7 - "RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), a new set of Articles of Association, placed before the Members, be and is hereby adopted and substituted in place of the existing Articles of Association of the Bank, subject to the approval of the Reserve Bank of India as may be required.

RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorised to perform and execute all such acts, deeds, matters and things, as may be necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental thereto."

Item No. 10 - "RESOLVED THAT pursuant to the provisions of Section 42, 62(1)(c), 71 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and such other rules as may be issued from time to time (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the provisions of Memorandum & Articles of Association of the Bank, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR Regulations"), the provisions of Securities and Exchange Board of India ("SEBI") Act 1999, as amended from time to time, Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, ("SEBI ICDR Regulations"), as amended, Foreign Exchange Management Act ("FEMA") 1999, as amended from time to time, Master Directions on Issue and Pricing of Shares by Private Sector Banks, 2016 issued by the Reserve Bank of India (RBI) and any other statutory guidelines / regulations, if any, prescribed by the SEBI, RBI, the Stock Exchanges, the Government of India ("GOI") or any other relevant authority from time to time, to the extent applicable, and subject to such approvals, consents, permissions, and sanctions as may be required and subject to such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent of the Bank be and is hereby accorded to the Board to issue, offer and allot, up to 4,25,00,000 Equity Shares of ₹10/- ("Equity Shares") each or hybrid instruments / securities ("Securities") resulting in, up to 4,25,00,000 Equity shares of ₹ 10/- each (including the provisions for reservation on firm and /or competitive basis, of such part of issue and for such categories of persons as may be permitted) in the course of one or more public or private offerings in domestic and / or international market(s), either in the form of Qualified Institutional Placement (QIPs) to Qualified Institutional Buyers (QIBs) and / or Equity Shares through Depository Receipts, including in the form of Global Depository Receipts (GDRs) and / or American Depository Receipts (ADRs) to eligible investors (whether residents and/or non-residents and/or strategic investors and / or institutions / banks and / or incorporated bodies and / or individuals and/or trustees and/ or stabilization agents and/or mutual funds and / or venture capital funds, and/or Indian and / or multi-lateral financial institutions or otherwise, and irrespective of whether or not such investors are members of the Bank, through prospectus and/or letter of offer and / or placement document or circular and /or on public and / or private, such issue and allotment to be made at such time(s) in one or more tranches, by way of cash at such price or prices, in such manner, on such terms and conditions as the Board, may in its absolute discretion, decide at the time of issue of the aforesaid Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby also authorised to determine the form, terms and timing of the issue(s), including the class of investors to whom the Equity Shares / Securities are to be allotted, number of Equity Shares / Securities to be allotted in each tranche, issue price, face value, premium amount in issue/conversion/ exercise/redemption, rate of interest, redemption period, listings on one or more stock exchanges in India or abroad as the Board

may in its absolute discretion deems fit and to make and accept any modifications in the proposals as may be required by the authorities involved in such issue(s) in India and/or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

RESOLVED FURTHER THAT in case of a qualified institutional placement pursuant to Chapter VIII of the SEBI ICDR Regulations, the allotment of Securities (or any combination of the Securities as decided by the Board) shall only be to Qualified Institutional Buyers within the meaning of Chapter VIII of the ICDR Regulations, such Equity Shares / Securities shall be fully paid-up and the allotment of such Equity Shares / Securities shall be completed within 12 months from the date of this resolution at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations and the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the ICDR Regulations, as amended from time to time.

RESOLVED FURTHER THAT in case of QIP issue the relevant date for determination of the floor price of the Equity Shares / Securities to be issued shall be -

I. In case of allotment of equity shares, the date of meeting in which the Board decides to open the proposed issue.

II. In case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Equity Shares / Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices etc.

RESOLVED FURTHER THAT the Board may enter into any arrangement with any agencies or bodies for the issue of depository receipts represented by underlying equity shares in the share capital of the Bank with such features and attributes as are prevalent in international / domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and / or international practice or regulations and under the norms and practices prevalent in the domestic / international capital markets and subject to applicable laws and regulations and the Articles of Association of the Bank.

RESOLVED FURTHER THAT in the event of depository receipts, the pricing shall be determined in compliance with the principles and provisions set out in the Depository Receipts Scheme, 2014, the Foreign Exchange Management (Transfer or Issue of Securities by a person resident outside India) Regulations, 2000 and such other notifications, clarifications, guidelines, rules and regulations issued by relevant authorities (including any statutory modifications, amendments or re-enactment thereof).

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as foreign currency convertible bonds, subject to the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipts Mechanism) Scheme, 1993 including any statutory modifications, re-enactments or amendments from time to time and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of pricing of the security to be issued pursuant to such issue shall be the date of the meeting in which the Board or duly authorized committee of directors decides to open such issue after the date of this Resolution or such other date as may be prescribed under the applicable law.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue offer and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred to above and as may be necessary in accordance with the terms of the offer, subject to the provisions of Memorandum and Articles of Association of the Bank or other applicable legal provisions and shall rank pari passu inter se with the then existing equity shares of the Bank in all respects including as to dividend.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorized on behalf of the Bank, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in this regard in its absolute discretion and deem necessary or desirable for such purpose, including without limitation the entering into of marketing and similar agreements and to remunerate the managers, and all other agencies/intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings of Equity Shares / Securities, finalization of the number and price of Equity Shares / Securities to be issued in each tranche thereof, form, terms and timing of the issue of Equity Shares / Securities including for each tranche of such issue of Equity Shares / Securities, identification of the investors to whom Equity Shares / Securities are to be offered, utilization of the proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities, with power on behalf of the Bank to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose of the aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer and allotment of Equity Shares / Securities and utilization of the issue proceeds

including but without limitation to the creation of such mortgage / hypothecation / charge on the Bank's assets under Section 180(1)(a) of the said Act in respect of the aforesaid Equity Shares / Securities either on pari passu basis or otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board shall have the authority and power to accept any modification in the proposal as may be required or imposed by the Government of India / Reserve Bank of India / Securities & Exchange Board of India / Stock Exchanges where the shares of the Bank are listed or such other appropriate authorities at the time of according / granting their approvals, consents, permissions and sanctions to issue, allotment and listing thereof and as agreed to by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Executives of the Bank."

Item No. 11 - "RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules made thereunder, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the applicable provisions of the Banking Regulation Act, 1949, as amended, and the rules, circulars and guidelines issued by Reserve Bank of India ("RBI") from time to time (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and all other relevant provisions of applicable law(s), the provisions of the Memorandum and Articles of Association of the Bank and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory or regulatory authority(ies), the approval of the Members of the Bank be and is hereby accorded for borrowing/raising funds in Indian/ foreign currency by issue of debt securities including but not limited to non-convertible debentures, bonds (including bonds forming part of Tier I / Tier II capital, secured or unsecured, listed or unlisted, in accordance with and subject to the terms and conditions specified in the Basel III Capital Regulations prescribed by RBI, long-term infrastructure bonds or such other bonds as may be permitted by RBI from time to time) upto ₹ 200 Crores (Rupees Two Hundred Crores Only) (collectively the "debt securities") by the Bank, in one or more tranches and/or series, in domestic and /or overseas market, as per the agreed structure permitted by RBI and other regulatory authorities, to eligible investors on private placement basis during a period of one year from the date of passing of this resolution, within the overall borrowing limits of the Bank, as approved by the Members, from time to time.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "Board") of the Bank or any Committee of the Board or such other persons as may be authorized by the Board or its Committee, be and are hereby authorized to negotiate, modify and finalize the terms and conditions of the debt securities and sign the relevant documents / agreements in connection with the private placement of the debt securities, including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, debenture subscription agreement, debenture trustee agreement, debenture trust deed and any other documents as may be required, in connection with the offering(s), issuance(s) and / or allotment(s) on private placement of debt securities by the Bank and to further delegate the above powers to any Committee of Directors or any personnel of the Bank to act on their behalf as they may deem fit and to do all such other acts and things and to execute all such documents as may be necessary for giving effect to this resolution."

RBI Nominee Directors Shri Suvendu Pati and Shri Vivek Srivastava did not attend the AGM (i.e., 10.06.2016) and remaining all Directors attended.

No special resolutions were passed through postal ballot during the last financial year ending 31.03.2017. As on date, there is no proposal requiring approval of the members through special resolution to be passed through postal ballot.

Annual General Meeting for FY 2017-18 will be held on or before 30th September, 2018 in line with the provisions under the Companies Act.

Board Meetings:

Results for the quarter ending June 2017 - On or before 14th August, 2017
Results for the quarter ending September 2017 - On or before 14th November, 2017.
Results for the quarter ending December 2017 - On or before 14th February, 2018.
Results for the quarter ending March 2018 - On or before 30th May, 2018.

Compliance with Reg. 34(3) & Schedule V of SEBI (LODR) Regulations, 2015:

Names and addresses of the Stock Exchanges where equity shares of Lakshmi Vilas Bank Limited are listed are as below:

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No.C/1,
G Block, Bandra - Kurla Complex,
Bandra (E), Mumbai - 400 051

The BSE Limited
Floor 25, PJ Towers,
Dalal Street,
Mumbai - 400 001.

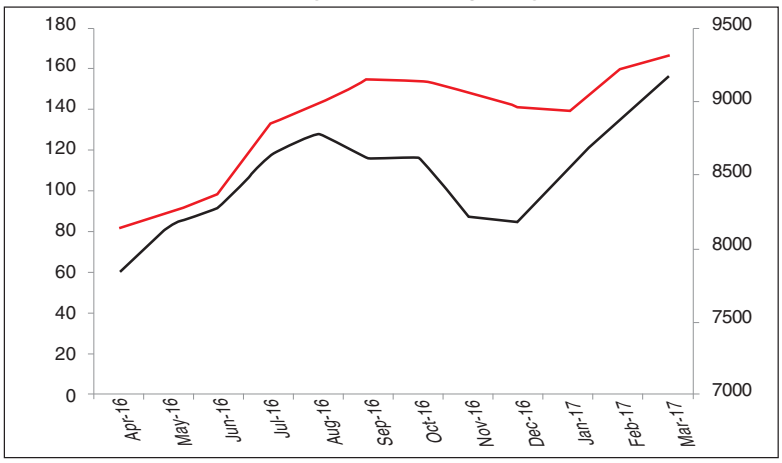
Bank confirms that the Annual Listing Fees have been paid to the National Stock Exchange of India Ltd. & BSE Ltd.

Trading Code with Stock Exchanges: LAKSHVILAS

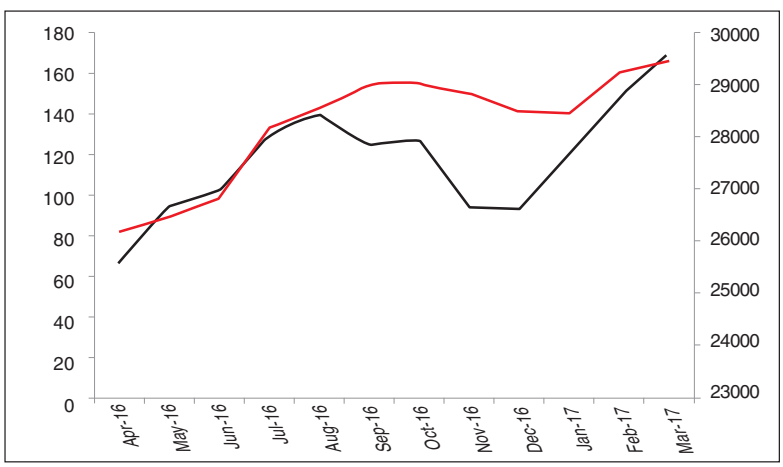
Stock Market Data

Month	Listed with NSE on 21.06.2000			Listed with BSE on 24.09.2012		
	High	Low	No of Shares Traded	High	Low	No of shares Traded
April, 2016	85.00	79.90	11420866	85.00	80.00	850743
May, 2016	90.30	75.05	8531146	89.95	77.95	612576
June, 2016	100.00	82.50	10313319	99.75	83.00	1046860
July, 2016	139.60	97.80	30176398	139.40	98.00	3193584
August, 2016	149.80	133.50	14595265	149.70	131.10	1652721
September, 2016	165.80	138.15	14673153	168.70	139.00	3777860
October, 2016	161.10	141.00	6658051	163.00	143.00	921377
November, 2016	158.45	125.05	7680395	161.00	125.10	744612
December, 2016	150.30	135.10	3622483	149.75	135.10	1199040
January, 2017	143.10	134.00	10789424	143.00	134.00	3464116
February, 2017	164.90	138.60	29142290	165.00	139.10	8184010
March, 2017	170.90	158.10	16529451	170.85	158.10	4462299

Performance of the Equity Shares relative to NSE Nifty Index during the year 2016-17



Performance of the Equity Shares relative to BSE Index during the year 2016-17



The Registrar to the issue and share transfer agents is M/s. Integrated Registry Management Services Private Limited (formerly known as "M/s. Integrated Enterprises (I) Ltd"). Pursuant to a scheme of demerger, the registry business of M/s. Integrated Enterprises (I) Ltd has been de-merged to a recently incorporated company, M/s. Integrated Registry Management Services Private Limited, with no effective change of ownership or management or the operational team, with certificate of Registration issued to this entity by SEBI on 17.02.2017.

Share Transfer Process:

Bank ensures that all requests pertaining to physical shares are processed by the Registrar and Share Transfer Agent - M/s. Integrated Registry Management Services Private Limited and approved by Stakeholders Relationship Committee / Board and the certificates are dispatched to the transferees within a maximum period of 15 days from the date of receipt of the transfer documents by M/s. Integrated Registry Management Services Private Limited, provided if the share documents are valid in all respects. Share transfers, dividend payments, demat requests and all other investor related activities are attended to and processed at the office of our Registrar and Share Transfer Agent.

Shareholders' Correspondence should be addressed to:

M/s. Integrated Registry Management Services Private Limited
II Floor, "Kences Towers" No.1 Ramakrishna Street
North Usman Road, T. Nagar, Chennai - 600 017
Ph: 044-28140801/2/3 Fax: 28142479/28143378
Email: lvb@integratedindia.in

Contact details of Debenture Trustees of the Bank for Tier-II Bonds (Debentures):

The bank has raised capital by way of Tier II Bonds (debentures) through various Series in certain financial years and the same are listed with the WDM segment of the NSE. The details of the debenture trustee is as below:

IDBI Trusteeship Services Limited
Regd. Office: Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001.
Phone: 022-4080700 | Fax: 022-66311776 | E-mail: itsl@idbitrustee.com

Compliance with Reg. 6 (2) (d) of SEBI (LODR) Regulations, 2015:

SEBI has advised the listed companies to designate an exclusive email ID for Redressal of Investor Complaints. Pursuant to Reg. 6(2)(d) of SEBI (LODR) Regulations, 2015, a separate e-mail id viz., investorsgrievances@lvbank.in is designated exclusively for redressal of investors' complaints and the Compliance Officer monitors the same.

Distribution of Shareholding in break up as on 31.03.2017 is given below:

Category	Number of Records	%	Number of Shares	%
Upto 500	50740	69.86	7259185	3.79
501 - 1000	9055	12.47	6913448	3.61
1001 - 2000	5853	8.06	8680064	4.53
2001 - 3000	2147	2.96	5277241	2.76
3001 - 4000	1297	1.79	4542027	2.37
4001 - 5000	794	1.09	3613534	1.89
5001 - 10000	1531	2.11	10896051	5.69
ABOVE 10000	1216	1.67	144265197	75.36
TOTAL	**72633**	**100**	**191446747**	**100.00**

Dematerialization:

Bank has 72633 shareholders as on 31.03.2017, being fully paid shares of ₹10/- each. Of this 53507 folios representing 18,17,04,729 (94.91%) shares are in Demat Form.

Bank's Equity shares ISIN: INE694C01018

CIN: L65110TN1926PLC001377

The shares of the Bank are admitted under demat mode with both the depositories of the country i.e., National Securities Depository Limited and Central Depository Services (India) Limited.

Nomination Facility:

Shareholders may avail of the Nomination Facility as prescribed under Section 72 of the Companies Act, 2013.

Bank Account Details:

In order to avoid fraudulent encashment of dividend warrants, the members holding shares in physical form are requested to provide their Bank Account details to the Office of our Registrar and Share Transfer Agent.

Unclaimed Dividend / Refund:

Information in respect of Unclaimed Dividend & Refund and last date for making claim is given below:

Unclaimed Dividend:

Financial Year	Date of Declaration	Amount as on 31.03.2017 in ₹	Last date for claim
2009-10	04.08.2010	10,07,904.60	02.09.2017
2010-11	14.09.2011	33,87,327.50	13.10.2018
2011-12	14.09.2012	48,03,263.50	13.10.2019
2012-13	06.08.2013	49,24,605.00	04.09.2020
2013-14	26.09.2014	20,27,181.00	25.10.2021
2014-15	03.09.2015	42,12,740.00	02.10.2022
2015-16	10.06.2016	62,40,831.00	09.07.2023

Unclaimed Refund:

Right issue Year	Date of Refund	Amount as on 31.03.2017 in ₹	Last date for claim
2014-15	02.09.2014	1,07,700.00	01.09.2021

Shares held in Electronic form:

All instructions regarding bank account details, which the shareholders wish to be incorporated in their dividend warrant will have to be submitted to their depository participants. Instructions already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form and the Bank or STA will not entertain any request for deletion / change of Bank details already printed on dividend warrants as per information received from both the depositories.

All instructions regarding change of address, nomination, power of attorney etc., shall be given directly to their Depository participants and the bank or STA will not entertain any such requests directly. Shareholders having the holdings partly in demat form and partly in physical form, should follow the steps narrated above separately.

Other Disclosures:

The Bank has complied with all mandatory requirements prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Certificate to this effect from the Bank's Statutory Auditors is annexed.

With respect to compliance with Discretionary Requirements as mentioned in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Bank is in compliance with the following;

1. Being a Banking entity, as mandated by Reserve Bank of India's directive, the Bank appoints separate persons to the post of Chairperson and Managing Director & CEO.
2. The Internal Auditor reports directly to the Audit Committee.
3. The Bank continues to be in a regime of declaring Financial Statements with unmodified Audit Opinion.

There were no significant and material orders passed by the regulators, courts, tribunals impacting the going concern status and Bank's operations in future.

Disclosures on materially significant Related Party Transactions:

During the Financial year, the Bank did not enter into any materially significant related party transaction which could have a potential conflict of interest with its promoters, directors, management or relatives etc., except the transactions entered into in the normal course of banking business.

The bank's policy on dealing with related party transaction is provided in the website of the Bank and can be viewed at:

http://www.lvbank.com/UserFiles/File/RelatedPartyTransactions_Policy.pdf

Penalties or Strictures imposed on matters related to capital markets:

There are no penalties or strictures imposed on the bank by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

Whistle Blower Policy:

The Bank has laid down a Whistle Blower Policy, in line with the regulatory requirements and during the year, no person has been denied access to the audit committee.

Code of Conduct:

The Board of Directors at its meeting held on 15.04.2005, approved the Code of Conduct for all the Directors and Senior Management Personnel. The said Code of Conduct has been placed on the website of the Company **www.lvbank.com**. The Annual Report contains a declaration signed by CEO affirming compliance to the Code of Conduct by Directors and Senior Management Personnel.

CEO/CFO Certification:

The Compliance certificate under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 furnished by the Chief Executive Officer and Chief Financial Officer has been duly submitted to the Board.

DECLARATION BY MD & CEO:

The Board of Directors and the Senior Management Personnel of the Bank have affirmed confirming to the Code of Conduct of the Bank for the year ended 31.03.2017.

Parthasarathi Mukherjee
Managing Director & CEO

Annexure - E

ANNUAL REPORT ON CSR ACTIVITIES

In India, the concept of CSR is governed by clause 135 of the Companies Act, 2013. The Ministry of Corporate Affairs has notified Section 135 and Schedule VII of the Companies Act 2013 as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 to come into effect from April 1, 2014. The Act defines CSR as activities that promote poverty reduction, education, health, environmental sustainability, gender equality and vocational skills development.

Vision & Mission:

Through the CSR projects, our bank intends to contribute in its own small way to the social and economic upliftment of needy individuals / areas, mostly in the places in which it operates.

Scope:

CSR policy will apply to all projects / programs undertaken as part of the Bank's Corporate Social Responsibility activities. It will be developed, reviewed and updated by reference to relevant codes of Corporate Governance and International standards (or) best practices while keeping it always in line with the CSR Rules (Sec. 135 of Companies Act 2013)

Preferred CSR intervention areas:

The CSR intervention areas will be as prescribed under Section 135 of the Companies Act as amended from time to time with the preferred scope being as below:

a) Promoting Education
b) Promoting Rural Sports
c) Setting up old age homes
d) Catering to needs of needy and downtrodden section of society
e) Participation in **"Swachh Bharat Abhiyan"** of Government of India
f) Focus on the developmental needs of Girl Children
g) Meeting infrastructural requirements of needy Government / Semi-Government educational institutions
h) Any other area approved by CSR committee

The Bank's CSR policy is available on the website www.lvbank.com/download/Corporate_Social_Responsibility_policy.pdf

Composition of CSR committee:

The Bank has a Board-Level CSR committee that provides oversight of CSR policy execution. Our CSR committee comprises:

- Shri S.G.Prabhakharan, Chairperson
- Shri Parthasarathi Mukherjee, MD & CEO, Member
- Shri N.S. Venkatesh, Executive Director, Member
- Smt. E.V.Sumithasri, Member

Financial details:

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribe that every company having a net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more or a net profit of ₹ 5 crore or more during any financial year shall ensure that the company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The financial details as sought by the Companies Act, 2013 are as follows:

• Average Net profit of the Bank for last three financial years	₹ 15294.91 Lacs
• Prescribed CSR expenditure (2% of Average Net profit) for FY 2016-17	₹ 305.90 Lacs
• Amount to be spent for the current fiscal	₹ 305.90 Lacs
• Amount unspent in the last financial year (FY 2014-15 and FY 2015-16)	₹ 346.86 Lacs
• Total amount to be spent for the financial year	₹ 652.76 Lacs
• Amount spent during the current fiscal	₹ 140.05 Lacs
• Amount unspent for FY 2016-17	₹ 512.71 Lacs

CSR activities undertaken by your Bank are as under: (Amount in Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project (or) activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Over heads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency*
1.	Promoting Rural Sports	Promoting Rural Sports	Chennai, Coimbatore, Karaikudi, Salem, Krishnagiri, Vellore, Trichy, Tanjore, Tiruvallore and Villupuram	150.00	93.58 (inclusive of taxes)	93.58	Implementing agency - 93.58
2.	Meeting infrastructural requirement of needy Government / Semi-Government Educational institutions	Meeting infrastructural of needy Government / Semi Government Educational institutions	Chennai, Erode and Karur	4.00	4.00	4.00	Direct - 2.50 Implementing agency - 1.50
3.	Promoting Education	Promotion of Education	Madurai and Bangalore	12.00	12.00	12.00	Implementing agency - 12.00
4.	Health Care	Health Care	Karur, Rajmundry, Tenali and Palamaner	19.66	19.66	19.66	Direct - 18.61 Implementing agency - 1.05
5.	Livelihood of Girl Children	Focus on the developmental needs of Girl children	Trichy and Madurai	3.00	3.00	3.00	Direct - 3.00
6.	Focusing on downtrodden segments	Catering to needs of needy and downtrodden sections of society	PAN India (Tamilnadu, Karnataka, Andhra Pradesh, Telangana, Mumbai and Delhi)	7.85	7.81	7.81	Direct - 7.81
	Amount Spent (₹)					**140.05**	

*** Details of the implementing agencies are listed below:**

Promoting Rural Sports: Dream Catcher, **Meeting infrastructural requirement of needy Government / Semi-Government Educational Institutions:** Olirum Erode Foundation Trust,**Promoting Education:** Soroptimist International of Madurai and Karnataka Arya Vysya Charitable Trust, **Health Care:**Rotary Club of Karur Angels.

Your Bank has done all the preliminary work like identification of priority areas, checking the due diligence etc. so that amount can be spent on CSR activities as per statutory requirements.Further, the bank has decided to set up a foundation named as **"LVB Foundation"** for carrying out the CSR related activities in a full-fledged manner. The Bank is well poised to spend the balance amount during the current FY.

Our CSR responsibilities:

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

Chennai
April 17, 2017

Parthasarathi Mukherjee
MD & CEO

S.G. Prabhakharan
Chairperson, CSR Committee

LAKSHMI VILAS BANK

Annexure - F

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	:	L65110TN1926PLC001377
(ii)	Registration Date	:	03/11/1926
(iii)	Name of the Company	:	LAKSHMI VILAS BANK LIMITED
(iv)	Category / Sub-Category of the Company	:	COMPANY LIMITED BY SHARES / INDIAN NON-GOVERNMENT COMPANY
(v)	Address of the Registered Office and contact details	:	SALEM ROAD, KATHAPARAI, KARUR - 639006 TAMIL NADU Tel: 04324- 220051 Email : secretarial@lvbank.in Website : www.lvbank.com
(vi)	Whether listed company	:	YES (National Stock Exchange of India Ltd & BSE Ltd)
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	**Integrated Registry Management Services Private Limited** II Floor, 'Kences Towers' No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600017 Tel: +91 44 28140801 Fax: +91 44 28142479 Website: www.intergratedindia.in Email: lvb@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	BANKING	64191	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
Not Applicable					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding:

CAT CODE	CATEGORY OF SHAREHOLDERS	NO OF SHARES HELD AT THE THE BEGINNING OF THE YEAR				NO OF SHARES HELD AT THE END OF THE YEAR				
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	% CHANGE DURING THE YEAR
A	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
(1)	Indian									
a	Individual/Hindu Undivided Family	5005845	0	5005845	2.79	4997016	0	4997016	2.61	-0.18
b	Central Government	0	0	0	0	0	0	0	0	0
c	State Government	0	0	0	0	0	0	0	0	0
d	Bodies Corporate	12328132	0	12328132	6.87	12328132	0	12328132	6.44	-0.43
e	Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
f	Any other(specify)	0	0	0	0	0	0	0	0	0
	SUB TOTAL A(1)	17333977	0	17333977	9.66	17325148	0	17325148	9.05	-0.61
(2)	Foreign									
a	Individual(Non resident/foreign)	0	0	0	0	0	0	0	0	0
b	Bodies corporate	0	0	0	0	0	0	0	0	0
c	Institutions	0	0	0	0	0	0	0	0	0
d	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
e	Any other(specify)	0	0	0	0	0	0	0	0	0
	SUB TOTAL A(2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of promoter and Promoter Group(A)=A(1)+A(2)	17333977	0	17333977	9.66	17325148	0	17325148	9.05	-0.61
B	Public Shareholding									
(1)	Institutions									
a	Mutual funds/UTI	2257	0	2257	0.00	2622	0	2622	0.00	0
b	Financial Institutions/Banks	6080828	2250	6083078	3.39	4272636	2250	4274886	2.23	-1.16
c	Central Government	0	0	0	0	0	0	0	0	0
d	State Government(s)	0	0	0	0	0	0	0	0	0
e	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f	Insurance Companies	387678	0	387678	0.22	462678	0	462678	0.24	0.02
g	Foreign Institutional Investors	10610832	10850	10621682	5.92	3054190	10850	3065040	1.60	-4.32
h	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
i	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
j	Any other(specify)	8064173	0	8064173	4.49	14273511	0	14273511	7.46	2.97
	SUB TOTAL B(1)	25145768	13100	25158868	14.02	22065637	13100	22078737	11.53	-2.49
(2)	Non-Institutions									
a	Bodies Corporate (Indian/foreign/Overseas)	51873767	18367	51892134	28.92	57692380	18367	57710747	30.14	1.22
b	Individuals (Resident/NRI/Foreign National)	0	0	0	0	0	0	0	0	0
(i)	Individual shareholders holding Nominal share Capital upto Rs.1 Lakh	30222194	9371156	39593350	22.06	36731083	8707785	45438868	23.73	1.67
(ii)	Individual shareholders holding Nominal share Capital above Rs.1 Lakh	41804539	1134189	42938728	23.93	45000891	1002766	46003657	24.03	0.10
c	Any other(specify)	2544552	0	2544552	1.42	2889590	0	2889590	1.51	0.09
	SUB TOTAL B(2)	126445052	10523712	136968764	76.32	142313944	9728918	152042862	79.42	3.10
	Total Public Share Holding (B)=B(1)+B(2)	151590820	10536812	162127632	90.34	164379581	9742018	174121599	90.95	0.61
	TOTAL (A)+(B)	168924797	10536812	179461609	100.00	181704729	9742018	191446747	100.00	0.00
C	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	168924797	10536812	179461609	100.00	181704729	9742018	191446747	100.00	0.00

(ii) Shareholding of promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	K R Pradeep	4215285	2.35	0.00	4215285	2.20	0.00	-0.15
2	Anuradha Pradeep	6216	0.00	0.00	6216	0.00	0.00	0.00
3	Kare Electronics and Development Private Limited	1259569	0.70	0.00	1259569	0.66	0.00	-0.04
4	Pranava Electronics P Ltd	3412464	1.90	0.00	3412464	1.78	0.00	-0.12
5	S G Prabhakharan	4004	0.00	0.00	4004	0.00	0.00	0.00
6	Usha R Prabakaran	115256	0.06	0.00	115256	0.06	0.00	0.00
7	G P Prajnesh	14200	0.01	0.00	14200	0.01	0.00	0.00
8	G Sudhakara Gupta	2000	0.00	0.00	2000	0.00	0.00	0.00
9	Sasikaladhevi M R	1500	0.00	0.00	1500	0.00	0.00	0.00
10	Ariston Capital Asset Holdings Private Limited	1847559	1.03	0.46	1847559	0.97	0.79	-0.06
11	Tangerine Capital Asset Holdings LLP	2812258	1.57	1.57	2812258	1.47	1.47	-0.10
12	XS Real Properties Private Limited	14008	0.01	0.00	14008	0.01	0.00	0.00
13	M P Shyam	135622	0.08	0.00	135622	0.07	0.00	0.00
14	M S Sharmila	119870	0.07	0.00	119870	0.06	0.00	-0.01
15	M K Panduranga Setty	2071	0.00	0.00	2071	0.00	0.00	0.00
16	P Vasantha	17930	0.01	0.00	17930	0.01	0.00	0.00
17	M.P.VikramSetty	1202	0.00	0.00	1202	0.00	0.00	0.00
18	M S Nivedita	10000	0.01	0.00	10000	0.01	0.00	0.00
19	Advaith Motors Pvt Ltd	1972515	1.10	1.10	1972515	1.03	1.03	-0.07
20	Cauvery Motors Pvt Ltd	1009759	0.56	0.56	1009759	0.53	0.52	-0.03
21	N Malayalaramamirtham	81628	0.05	0.02	81628	0.04	0.02	0.00
22	M Geetha	19142	0.01	0.00	19142	0.01	0.00	0.00
23	M Balasubramanian	6531	0.00	0.00	6531	0.00	0.00	0.00
24	N Susila	11965	0.01	0.00	11965	0.01	0.00	0.00
25	N Saiprasad	152131	0.08	0.01	143302	0.07	0.01	-0.01
26	N Dwarakanathan	717	0.00	0.00	717	0.00	0.00	0.00
27	N Sivakumar	56985	0.03	0.01	56985	0.03	0.01	0.00
28	M Shalini	12225	0.01	0.00	12225	0.01	0.00	0.00
29	V.N. Jayaprakash	19365	0.01	0.01	19365	0.01	0.00	0.00
	Total	17333977	9.66	3.73	17325148	9.05	3.85	-0.61

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.	NAME	Shareholding at the beginning of the year		Increase / Decrease	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	No. of Shares	% of total shares of the Company
1	K R Pradeep					
	PAN :AALPP7910M					
	Opening Balance as on 01/04/2016	4215285	2.35	No Change		
	Closing Balance as on 31/03/2017				4215285	2.20
2	Anuradha Pradeep					
	PAN :AALPP7909A					
	Opening Balance as on 01/04/2016	6216	0.00	No Change		
	Closing Balance as on 31/03/2017				6216	0.00
3	Kare Electronics and Development Private Limited					
	PAN :AABCK7679R					
	Opening Balance as on 01/04/2016	1259569	0.70	No Change		
	Closing Balance as on 31/03/2017				1259569	0.66
4	Pranava Electronics P Ltd					
	PAN :AADCP2196C					
	Opening Balance as on 01/04/2016	3412464	1.90	No Change		
	Closing Balance as on 31/03/2017				3412464	1.78
5	S G Prabhakharan					
	PAN :AAHPP4774F					
	Opening Balance as on 01/04/2016	4004	0.00	No Change		
	Closing Balance as on 31/03/2017				4004	0.00
6	Usha R Prabakaran					
	PAN :AAAPU1920B					
	Opening Balance as on 01/04/2016	115256	0.06	No Change		
	Closing Balance as on 31/03/2017				115256	0.06
7	G P Prajnesh					
	PAN :AWGPP5083N					
	Opening Balance as on 01/04/2016	14200	0.01	No Change		
	Closing Balance as on 31/03/2017				14200	0.01
8	G Sudhakara Gupta					
	PAN :AAEPG3217F					
	Opening Balance as on 01/04/2016	2000	0.00	No Change		
	Closing Balance as on 31/03/2017				2000	0.00
9	Sasikaladhevi M R					
	PAN :ASXPS1973K					
	Opening Balance as on 01/04/2016	1500	0.00	No Change		
	Closing Balance as on 31/03/2017				1500	0.00
10	Ariston Capital Asset Holdings Private Limited					
	PAN :AAGCA8511M					
	Opening Balance as on 01/04/2016	1847559	1.03	No Change		
	Closing Balance as on 31/03/2017				1847559	0.96
11	Tangerine Capital Asset Holdings LLP					
	PAN :AAHFT8682L					
	Opening Balance as on 01/04/2016	2812258	1.57	No Change		
	Closing Balance as on 31/03/2017				2812258	1.47

(iii) Change in Promoters' Shareholding (please specify, if there is no change): *(Contd.)*

Sl. No.	NAME	Shareholding at the beginning of the year		Increase / Decrease	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	No. of Shares	% of total shares of the Company
12	XS Real Properties Private Limited					
	PAN :AAACX0030G					
	Opening Balance as on 01/04/2016	14008	0.01	No Change		
	Closing Balance as on 31/03/2017				14008	0.01
13	M P Shyam					
	PAN :AFAPS4343H					
	Opening Balance as on 01/04/2016	135622	0.08	No Change		
	Closing Balance as on 31/03/2017				135622	0.07
14	M S Sharmila					
	PAN : AKWPS8613D					
	Opening Balance as on 01/04/2016	119870	0.07	No Change		
	Closing Balance as on 31/03/2017				119870	0.06
15	M K Panduranga Setty					
	PAN :ACIPP7049J					
	Opening Balance as on 01/04/2016	2071	0.00	No Change		
	Closing Balance as on 31/03/2017				2071	0.00
16	P Vasantha					
	PAN :AASPV4548E					
	Opening Balance as on 01/04/2016	17930	0.01	No Change		
	Closing Balance as on 31/03/2017				17930	0.01
17	M.P.VikramSetty					
	PAN :ADIPV3751G					
	Opening Balance as on 01/04/2016	1202	0.00	No Change		
	Closing Balance as on 31/03/2017				1202	0.00
18	M S Nivedita					
	PAN :AHMPN4589N					
	Opening Balance as on 01/04/2016	10000	0.01	No Change		
	Closing Balance as on 31/03/2017				10000	0.01
19	Advaith Motors Pvt Ltd					
	PAN :AADCA2399A					
	Opening Balance as on 01/04/2016	1972515	1.10	No Change		
	Closing Balance as on 31/03/2017				1972515	1.03
20	Cauvery Motors Pvt Ltd					
	PAN :AAACC5924A					
	Opening Balance as on 01/04/2016	1009759	0.56	No Change		
	Closing Balance as on 31/03/2017				1009759	0.53
21	N Malayalaramamirtham					
	PAN :AKHPM6607N					
	Opening Balance as on 01/04/2016	81628	0.05	No Change		
	Closing Balance as on 31/03/2017				81628	0.04

(iii) Change in Promoters' Shareholding (please specify, if there is no change): *(Contd.)*

Sl. No.	NAME	Shareholding at the beginning of the year		Increase / Decrease	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	No. of Shares	% of total shares of the Company
22	M Geetha					
	PAN :AHWPG9290M					
	Opening Balance as on 01/04/2016	19142	0.01	No Change		
	Closing Balance as on 31/03/2017				19142	0.01
23	M Balasubramanian					
	PAN :AGQPB1246H					
	Opening Balance as on 01/04/2016	6531	0.00	No Change		
	Closing Balance as on 31/03/2017				6531	0.00
24	N Susila					
	PAN :ALJPS1369J					
	Opening Balance as on 01/04/2016	11965	0.01	No Change		
	Closing Balance as on 31/03/2017				11965	0.01
25	N Saiprasad					
	PAN :ABBPS6585L					
	Opening Balance as on 01/04/2016	152131	0.08			
	20/05/2016 Market Sale			-100	152031	0.07
	03/06/2016 Market Sale			-400	151631	0.07
	10/06/2016 Market Sale			-400	151231	0.07
	15/07/2016 Market Sale			-7929	143302	0.07
	Closing Balance as on 31/03/2017				143302	0.07
26	N Dwarakanathan					
	PAN :AHLPD1263C					
	Opening Balance as on 01/04/2016	717	0.00	No Change		
	Closing Balance as on 31/03/2017				717	0.00
27	N Sivakumar					
	PAN :ABBPS6599J					
	Opening Balance as on 01/04/2016	56985	0.03	No Change		
	Closing Balance as on 31/03/2017				56985	0.03
28	V N Jayaprakash					
	PAN :AAHPJ6354P					
	Opening Balance as on 01/04/2016	19365	0.01	No Change		
	Closing Balance as on 31/03/2017				19365	0.01
29	M Shalini					
	PAN :BHDPS7018D					
	Opening Balance as on 01/04/2016	12225	0.01	No Change		
	Closing Balance as on 31/03/2017				12225	0.01

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	NAME		Shareholding at the beginning of the year		Increase / Decrease	Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	No. of Shares	% of total Shares of the Company
1	Max Life Insurance Co Ltd						
	PAN:AACCM3201E						
	Opening Balance as on 01/04/2016		7581045	4.23			
	08/04/2016	Market Sale			-148639	7432406	4.14
	22/07/2016	Market Purchase			351654	7784060	4.34
	29/07/2016	Market Purchase			275000	8059060	4.49
	05/08/2016	Market Purchase			250000	8309060	4.63
	23/12/2016	Market Sale			-3054	8306006	4.63
	20/01/2017	Market Sale			-56400	8249606	4.31
	Closing Balance as on 31/03/2017					8249606	4.31
2	M N Dastur And Co Pvt Ltd						
	PAN:AABCM2136M						
	Opening Balance as on 01/04/2016		7780440	4.34			
	08/07/2016	Market Sale			-100000	7680440	4.28
	29/07/2016	Market Sale			-50000	7630440	4.25
	26/08/2016	Market Purchase			60000	7690440	4.29
	16/09/2016	Market Sale			-50000	7640440	4.26
	23/09/2016	Market Sale			-670958	6969482	3.88
	07/10/2016	Market Purchase			25000	6994482	3.90
	14/10/2016	Market Purchase			35000	7029482	3.92
	21/10/2016	Market Purchase			2500	7031982	3.92
	28/10/2016	Market Purchase			15000	7046982	3.93
	11/11/2016	Market Purchase			38187	7085169	3.95
	18/11/2016	Market Purchase			25000	7110169	3.96
	25/11/2016	Market Purchase			40000	7150169	3.98
	02/12/2016	Market Purchase			65000	7215169	4.02
	09/12/2016	Market Purchase			55000	7270169	4.05
	24/02/2017	Market Sale			-300000	6970169	3.64
	03/03/2017	Market Sale			-200000	6770169	3.54
	Closing Balance as on 31/03/2017					6770169	3.54
3	DHFL PRAMERICA LIFE INSURANCE CO. LTD						
	PAN:AACCD6557A						
	Opening Balance as on 01/04/2016		0	0.00			
	03/01/2017	QIP Allotment			5992569	5992569	3.13
	Closing Balance as on 31/03/2017					5992569	3.13

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): *(Contd.)*

Sl. No.	NAME		Shareholding at the beginning of the year		Increase / Decrease	Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	No. of Shares	% of total Shares of the Company
4	BIRLA SUN LIFE INSURANCE COMPANY LIMITED						
	PAN:AABCB4623J						
	Opening Balance as on 01/04/2016		0	0.00			
	28/05/2016	Market Purchase			408039	408039	0.23
	10/06/2016	Market Purchase			381801	789840	0.44
	17/06/2016	Market Purchase			97155	886995	0.49
	24/06/2016	Market Purchase			111838	998833	0.56
	30/06/2016	Market Purchase			181637	1180470	0.66
	01/07/2016	Market Purchase			7876	1188346	0.66
	08/07/2016	Market Purchase			669995	1858341	1.04
	15/07/2016	Market Purchase			222223	2080564	1.16
	22/07/2016	Market Purchase			588000	2668564	1.49
	29/07/2016	Market Purchase			787749	3456313	1.93
	05/08/2016	Market Purchase			643517	4099830	2.28
	12/08/2016	Market Purchase			359965	4459795	2.49
	26/08/2016	Market Purchase			81604	4541399	2.53
	30/09/2016	Market Purchase			1150000	5691399	3.17
	21/10/2016	Market Purchase			100000	5791399	3.23
	28/10/2016	Market Purchase			47258	5838657	3.25
	Closing Balance as on 31/03/2017					5838657	3.05
5	EQ Assets						
	PAN:AAECE2413Q						
	Opening Balance as on 01/04/2016		0	0.00			
	04/02/2017	Market Purchase			200000	200000	0.10
	10/02/2017	Market Purchase			447038	647038	0.34
	17/02/2017	Market Purchase			980000	1627038	0.85
	03/03/2017	Market Purchase			800000	2427038	1.27
	10/03/2017	Market Purchase			850000	3277038	1.71
	17/03/2017	Market Purchase			720000	3997038	2.09
	24/03/2017	Market Purchase			85000	4082038	2.13
	Closing Balance as on 31/03/2017					4082038	2.13
6	PLAZA AGENCIES (P) LTD						
	PAN:AACCP0589Q						
	Opening Balance as on 01/04/2016		3900361	2.18			
	01/04/2016	Market Purchase			99639	4000000	2.23
	Closing Balance as on 31/03/2017					4000000	2.09
7	SHIVANAND SHANKAR MANKEKAR						
	PAN:AAUPM6403B						
	Opening Balance as on 01/04/2016		0	0.00			
	04/03/2017	Market Purchase			3780000	3780000	1.97
	Closing Balance as on 31/03/2017					3780000	1.97

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): *(Contd.)*

Sl. No.	NAME		Shareholding at the beginning of the year		Increase / Decrease	Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	No. of Shares	% of total Shares of the Company
8	JUPITER CAPITAL PRIVATE LIMITED						
	PAN: AABCJ5666R						
	Opening Balance as on 01/04/2016		3834565	2.14			
	22/07/2016	Market Sale			-150000	3684565	2.05
	29/07/2016	Market Sale			-300000	3384565	1.89
	05/08/2016	Market Sale			-275000	3109565	1.73
	12/08/2016	Market Sale			-275000	2834565	1.58
	13/01/2017	Market Purchase			1410000	4244565	2.22
	10/03/2017	Market Sale			-100000	4144565	2.16
	17/03/2017	Market Sale			-292929	3851636	2.01
	24/03/2017	Market Sale			-107071	3744565	1.96
	Closing Balance as on 31/03/2017					3744565	1.96
9	NOMURA SINGAPORE LIMITED						
	PAN: AADCN2750N						
	Opening Balance as on 01/04/2016		0	0.00			
	25/06/2016	Market Purchase			250000	250000	0.14
	30/06/2016	Market Purchase			375000	625000	0.35
	01/07/2016	Market Purchase			400000	1025000	0.57
	08/07/2016	Market Purchase			975000	2000000	1.11
	09/09/2016	Market Purchase			450000	2450000	1.37
	16/09/2016	Market Purchase			150412	2600412	1.45
	23/09/2016	Market Purchase			369000	2969412	1.65
	Closing Balance as on 31/03/2017					2969412	1.55
10	SIVAN SECURITIES PRIVATE LIMITED						
	PAN: AACCS5138G						
	Opening Balance as on 01/04/2016		185000	0.10			
	15/04/2016	Market Sale			-35000	150000	0.08
	22/04/2016	Market Purchase			800000	950000	0.53
	29/04/2016	Market Purchase			500000	1450000	0.81
	06/05/2016	Market Purchase			659000	2109000	1.18
	13/05/2016	Market Purchase			136000	2245000	1.25
	20/05/2016	Market Purchase			35000	2280000	1.27
	27/05/2016	Market Purchase			20000	2300000	1.28
	17/06/2016	Market Purchase			200000	2500000	1.39
	24/06/2016	Market Sale			-153000	2347000	1.31
	22/07/2016	Market Purchase			178000	2525000	1.41
	29/07/2016	Market Purchase			100000	2625000	1.46
	12/08/2016	Market Sale			-25000	2600000	1.45
	30/09/2016	Market Sale			-50000	2550000	1.42
	21/10/2016	Market Purchase			50000	2600000	1.45
	27/01/2017	Market Purchase			95000	2695000	1.41
	Closing Balance as on 31/03/2017					2695000	1.41

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	NAME	Shareholding at the beginning of the year		Increase / Decrease	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	No. of Shares	% of total Shares of the Company
1	S G Prabhakharan					
	PAN:AAHPP4774F					
	Opening Balance as on 01/04/2016	4004	0.00	No Change		
	Closing Balance as on 31/03/2017				4004	0.00
2	S Dattathreyan					
	PAN:ACGPD9201L					
	Opening Balance as on 01/04/2016	125998	0.07	No Change		
	Closing Balance as on 31/03/2017				125998	0.07
3	N Malayalaramamirtham					
	PAN:AKHPM6607N					
	Opening Balance as on 01/04/2016	81628	0.05	No Change		
	Closing Balance as on 31/03/2017				81628	0.04
4	Eranti Venkataramagupta Sumithasri					
	PAN:ABOPS9618R					
	Opening Balance as on 01/04/2016	100	0.00	No Change		
	Closing Balance as on 31/03/2017				100	0.00
5	Kusuma Ramakrishna Muniraju					
	PAN:ADCPM7709B					
	Opening Balance as on 01/04/2016	432583	0.24	No Change		
	Closing Balance as on 31/03/2017				432583	0.23
6	Pankaj Vaish					
	PAN :AABPV3825F					
	Opening Balance as on 01/04/2016	100	0.00	No Change		
	Closing Balance as on 31/03/2017				100	0.00
7	Prakash P Mallya					
	PAN :AANPM7346Q					
	Opening Balance as on 01/04/2016	100	0.00	No Change		
	Closing Balance as on 31/03/2017				100	0.00
8	Anuradha Pradeep					
	PAN :AALPP7909A					
	Opening Balance as on 01/04/2016	6216	0.00	No Change		
	Closing Balance as on 31/03/2017				6216	0.00
9	K R Pradeep (Director till 27.02.2017)					
	PAN :AALPP7910M					
	Opening Balance as on 01/04/2016	4215285	2.35	No Change		
	Closing Balance as on 27.02.2017				4215285	2.20
10	Doddy Lakshminarayana Rao (Director till 14.08.2016)					
	PAN: AAIPL9135B					
	Opening Balance as on 01/04/2016	9187	0.01	No Change		
	Closing Balance as on 14.08.2016				9187	0.00
11	Shankar P.A (Director till 03.06.2016)					
	PAN: AHQPS4259J					
	Opening Balance as on 01/04/2016	218	0.00	No Change		
	Closing Balance as on 03.06.2016				218	0.00
12	M. Palaniappan (CFO till 31.10.2016)					
	PAN:AAIPP2176L					
	Opening Balance as on 01/04/2016	59369	0.03	No Change		
	Closing Balance as on 31.10.2016				59369	0.03

Note:

1. Top ten shareholders of the Bank as on 31.03.2017 have been considered.
2. Date of Market purchase/sale details mentioned in the statements is the date on which the statements of beneficial ownerships are received from the depositories.
3. The variation in terms of percentage of holding in cases where there has been no change in shareholding is due to increase in paid-up capital of the Bank on account of allotment of shares pursuant to Qualified Institutional Placement during the year 2016-17.

V. INDEBTEDNESS:

Since deposits accepted and borrowings taken are in ordinary course of banking business, the disclosure is not applicable to the Bank.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Shri Parthasarathi Mukherjee MD & CEO	Shri Venkatesh N S Executive Director & CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,00,000.00	29,25,000.00	77,25,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8,10,680.64	5,08,450.00	13,19,130.64
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission - as % of profit - others, specify...	–	–	–
5	Others, (Employers' Contribution to Provident Fund,Gas Electricity,Petrol & Office Expenses, Leave Fare Concession)	7,32,239.12	3,50,160.63	10,82,399.75
	Total (A)	63,42,919.76	37,83,610.63	1,01,26,530.39

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Director (Shri / Smt)	Total Amount (in₹)
1.	Independent Directors		
	• Fee for attending Board/Committee Meetings	S. Dattathreyan	18,20,000.00
		E.V. Sumithasri	15,05,000.00
		Y.N. Lakshminarayana Murthy	4,55,000.00
		Kusuma R Muniraju	8,40,000.00
		Pankaj Vaish	15,40,000.00
		Prakash P Mallya	18,90,000.00
	• Commission		NIL
	• Others, please specify		NIL
	Total (1)		80,50,000.00
2.	Other Non-Executive Directors		
	• Fee for attending Board/Committee Meetings	S.G. Prabhakharan	13,30,000.00
		N. Malayalaramamirtham	16,10,000.00
	• Commission		NIL
	• Others, please specify		NIL
	Total (2)		29,40,000.00
	Total (B) = (1) + (2)		1,09,90,000.00
	Total Managerial Remuneration (A) + (B)		2,11,16,530.39
	Overall Ceiling as per the Act	Being a banking company regulated by the Reserve Bank of India, the remuneration paid to whole-time directors are subject to prior approval of RBI. However, the remuneration paid are well within the overall ceiling as per the Companies Act, 2013.	

C. Remuneration to other Directors / Key Managerial Personnel other than MD / MANAGER / WTD: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Palaniappan.M Ex-CFO (Till 31.10.2016)	Mr. N.Ramanathan Company Secretary	
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,27,833.00	18,37,453.73	48,65,286.73
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission - as % of profit - others, specify…	–	–	–
5	Others (Employers' Contribution to Provident Fund,Petrol & Office Expenses,Performance Bonus,Performance Allowance)	14,00,702.00	6,41,607.50	20,42,309.50
	Total (C)	44,28,535.00	24,79,061.23	69,07,596.23

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	• Reserve Bank of India ("RBI") vide order dated 30.12.2016 had imposed a penalty of Rs.3 crores towards "Unauthorised Bill discounting in Cathedral Road branch, Chennai". • RBI had imposed a penalty of Rs.7,600/- during soiled currency remittances made to RBI by our currency chest for defective/counterfeit currency detected.				
Punishment	NIL				
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

Annexure - G

Information required under Sub Rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name (Sarvashree)	Designation of Employee	Remuneration received (₹)	Nature of Employment whether contractual or otherwise	Qualifications and experience of employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the Bank	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	Details of the no of Employee Stock Options granted during the year
Top ten employees in terms of remuneration drawn										
Akkidas Jacob Vidya Sagar	President & Head - Retail Banking	6091968.00	Regular	M.Sc, CAIIB 33 years	29.09.2014	58	DGM, State Bank of India	Nil	No	18,000
Palaniappan M	Ex-CFO, Advisor	5584470.48	Contractual	B.COM, CA 36 years	25.02.2010	62	DGM, Canara Bank	0.03%	No	1,00,000
Meenakshi Sundaram R.M	President & Head-Corporate Banking	5574732.00	Regular	B.E, CAIIB 34 years	01.07.2014	59	General Manager, Canara Bank	Nil	No	Nil
Peeush Jain	Sr. Vice President - TPP & Transformation	5125904.00	Regular	B.Sc 20 years	14.05.2014	42	Vice President & Sr. Private Banker - The Royal Bank of Scotland	Nil	No	13,500
Gurumurthy R.K	Sr. Vice President (Treasury)	4666517.67	Regular	M.COM, CAIIB 25 years	30.01.2014	57	Treasurer, Bank One Ltd., Mauritius	Nil	No	21,000
Sridhar R V S	President & CRO	4379661.22	Regular	B.Com, MBA 32 years	11.07.2016	55	President - Internal Audit, Axis Bank	Nil	No	3,00,000
Nedumaran B	SVP - Human Resources	4075404.00	Regular	B.E, MHRM, Diploma in HR 24 years	01.10.2015	50	Vice President - SPI Global	Nil	No	14,250
Shankar A	SVP - MSME & Rural Banking	3994976.00	Regular	B.Sc,CA 27 years	22.07.2013	55	Sr. Vice President, HDFC Bank	Nil	No	13,500
Padmanabhan Premkumar	SVP - Branch Banking	3777358.00	Regular	M.SC, M.B.A 31 years	02.06.2014	54	Vice President-Banking & Treasury - Punj Lloyd Ltd.	Nil	No	13,500
Madhusudana Rao V	SVP & Chief Customer Service Officer	3677708.78	Contractual	B.Sc (MPC), M.Sc (Physics), CAIIB, DIB, DBM, DFS 39 years	29.02.2016	61	Advisor, SBI Mutual Fund	Nil	No	Nil

Employees who were employed throughout the financial year and was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees: NIL

Employees who were employed part of the financial year and was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month:

Name (Sarvashree)	Designation of Employee	Remuneration received (₹)	Nature of Employment whether contractual or otherwise	Qualifications and experience of employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the Bank	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	Month / Gross
Akkidas Jacob Vidya Sagar	President & Head-Retail Banking	6091968.00	Regular	M.Sc, CAIIB 33 years	29.09.2014	58	DGM, State Bank of India	Nil	No	June & August-2016/967300.00 & 911170.00
Gurumurthy R.K	Sr. Vice President (Treasury)	4666517.67	Regular	M.COM, CAIIB 25 years	30.01.2014	57	Treasurer, Bank One Ltd., Mauritius	Nil	No	August-2016/ 883026.67

Details of every employee, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole Time Director (Executive Director) and holds by himself or along with his spouse and dependent children not less than two percent of the equity shares of the Company:

No employee in the Bank holds by himself or along with his spouse and dependent children not less than two percent of the equity shares of the Bank.

Particulars pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Particulars	Disclosure
1.	The ratio of remuneration of each director to the median employees remuneration of the Company for the financial year (FY)[1]	MD & CEO : MEDIAN - 10.33 : 1 ED & CFO : MEDIAN - 6.16 : 1
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive officer, Company Secretary in the FY	Mr. Parthasarathi Mukherjee, MD & CEO - Nil Mr. Venkatesh N S, Executive Director & CFO-NA Mr. M. Palaniappan, Ex-CFO - NA Mr. N. Ramanathan, CS - 35.28%
3.	The percentage increase in the median remuneration of employees in the financial year	6.81%
4.	The number of permanent employees on the rolls of company	4043
5.	The explanation on the relationship between average increase in remuneration and Bank's performance.	The Bank's PAT has grown from ₹180.24 Crs for FY16 to ₹256.07 Crs for FY17, an increase of 42.08% against which the average increase in remuneration compares well and this increase is aligned with the policy of the Bank.
6.	Comparison of the remuneration of Key Managerial Personnel against the performance of the Bank.	For the FY KMP's were paid approx. 0.67% of the Net Profit of the Bank.
7.	Variation in the market capitalization of the Bank, price earnings ratio as at the closing date of the current financial year and percentage increase over decrease in the market quotations of the shares of the Bank in comparison to the rate at which the Bank came out with the last public offer.	Refer Table No.1
8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof.	The average percentage increase made in the salaries of total employees excluding Managerial Personnel for the FY 2016-17 is around 14.53% and the average percentage increased in the remuneration of the Managerial Personnel is around -34.93% (Average percentage decreased in the remuneration of the Managerial Personnel due to Ex-MD's exercise of ESOPs in the FY 16. This FY 17 there is no ESOP exercise by the KMPs).
9.	Comparison of each remuneration of the KMP's (individually) against the performance of the Bank	**Name & Designation** / **Remuneration** / **PAT (₹ in Crores)** / **% in PAT** Mr.Parthasarathi Mukherjee MD & CEO — 63,42,919.76 — 256.07 — 0.25% Mr. Venkatesh N S Executive Director & CFO — 37,83,610.63 — 0.15% Mr.M.Palaniappan Ex-CFO — 44,28,535.00 — 0.17% Mr.N.Ramanathan Company Secretary — 24,79,061.23 — 0.09%
10.	The Key parameters for any variable component of remuneration availed by Directors	NA
11.	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	No employee was paid any remuneration in excess of the highest paid director during the year.
12.	Affirmation that the remuneration is as per the remuneration policy of the Bank	The remuneration paid is as per the remuneration policy of the bank

Note:

[1] Sitting Fees paid to Non-Executive Directors (₹35,000/- per meeting as on 31.03.2017) has not been considered.

Table No. 1

(Ref. Sl. No. 7 above)

Date	Issued Capital (₹)	Paid-up Capital (₹)	Closing Market Price per share (₹)	EPS	PE Ratio	Market Capitalisation (₹ in Crores)
31.03.2016	180,96,99,860	179,46,16,090	81.15	10.05	8.07	1,456.33
31.03.2017	192,95,51,240	191,44,67,470	166.40	14.07	11.83	3,185.67
Increase / (Decrease)	11,98,51,380	11,98,51,380	85.25	4.02	3.76	1,729.34
% of Increase / (Decrease)	6.21	6.26	51.23	28.57	31.76	54.28
Issue price of the share at the last Public Office	–	–	–	–	–	–
Increase in market price as on 31.03.2017 as compared to Issue price of Rights	–	–	–	–	–	–
Increase in %	–	–	–	–	–	–

Annexure - H

Employee Stock Option Schemes (ESOSs)
Disclosure Pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014

Disclosure under Guidance Note on Accounting for Employee Share Based Payments

Employee Stock Options Scheme ('the Scheme')

The Employee Stock Option Scheme (ESOS) of the Bank (known as LVB ESOS 2010) was formulated as per Regulation 5 of Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999. The scheme was approved by the shareholders through Special Resolution on 04.08.2010 to create, issue, grant / allot upto 50 lakhs equity stock options to the eligible present and future employees including Directors of the Bank which entitles the option holders to subscribe to 1 (one) equity share of the Bank of ₹10/- each and in aggregate 50,00,000 equity shares of the face value of ₹10/- at such price, in such manner, during such period and on such terms and conditions and in the manner as may be determined by the Board.

Stock option activity under the Scheme for the year ended 31st March, 2017 is set out below:

Total for all grants	No. of Options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	**1,200,000**	**55.00**
Granted during the year	2,010,190	90.52
Forfeited during the year	110,132	95.00
Expired during the year	–	–
Exercised during the year	–	–
Outstanding at the end of the year	**3,100,058**	**76.61**
Exercisable at the end of the year	360,000	55.00

The weighted average share price in respect of options exercised during the year was ₹ Nil.

Fair Value Methodology

On applying the fair value based method in Guidance Note on 'Accounting for Employee Share- based Payments' the impact on reported net profit and EPS would be as follows:

	31st March, 2017
Net Profit (as reported) (₹)	**2,560,721,805**
Add: Stock based employee compensation expense included in net income (₹) under intrinsic value method	**41,443,089**
Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹)	**55,875,371**
Net Profit (Proforma) (₹)	**2,546,289,524**
Earnings per share: Basic (₹)	
As reported	**14.07**
Proforma	**13.99**
Earnings per share: Diluted (₹)	
As reported	**13.95**
Proforma	**13.88**

The fair value of the options is estimated on the date of the grant using the Black-Scholes options pricing model, with the following assumptions:

	31st March, 2017
Dividend yield	2.28%
Expected life	4.51 years
Risk free interest rate	6.68%
Volatility	35.96%

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates

of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.

The weighted average fair value of options granted during the year ended 31 March, 2017 is ₹ 60.78.

Diluted EPS

Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share' for FY 2016-17 is ₹13.95 per share.

Scheme Specific Disclosures

i) General Disclosures:

Description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS -

The Employee Stock Option Scheme (ESOS) of the Bank (known as LVB ESOS 2010) was formulated as per Regulation 5 of Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999. The scheme was approved by the shareholders through Special Resolution on 04.08.2010 to create, issue, grant / allot upto 50 lakhs equity stock options to the eligible present and future employees including Directors of the Bank which entitles the option holders to subscribe to 1 (one) equity share of the Bank of ₹10/- each and in aggregate 50,00,000 equity shares of the face value of ₹10/- at such price, in such manner, during such period and on such terms and conditions and in the manner as may be determined by the Board.

Sl. No.	Particulars	Disclosures
1	Date of shareholder's approval	04-08-2010
2	Total number of options approved under ESOS	5,000,000
3	Vesting requirements	Options granted under LVB ESOS 2010 would vest not less than one year and not more than three years from the date of grant of such options
4	Exercise price or pricing formula	The exercise price shall be the Market price of the equity shares discounted by such percentage not exceeding 50% as determined by the Compensation Committee of the Board
5	Maximum term of options granted	8 years from the date of grant (3 years of vesting and 5 years of exercise period)
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	No variation during the year 2016-17
8	Method used for accounting of ESOS (Intrinsic or fair value)	Intrinsic Value method for accounting
9	Fair Value Related Disclosure • Increase in the employee compensation cost computed at fair value over the cost computed using intrinsic cost method • Net Profit, if the employee compensation cost had been computed at fair value • Basic EPS, if the employee compensation cost had been computed at fair value • Diluted EPS, if the employee compensation cost had been computed at fair value	 • The employee compensation cost would increase by ₹ 14,432,281 • Net profit, if the employee compensation cost had been computed at fair value ₹ 2,546,289,524 • Basic EPS, if the employee compensation cost had been computed at fair value ₹ 13.99 • Diluted EPS, if the employee compensation cost had been computed at fair value ₹ 13.88
10	Weighted average exercise price of the options whose: • exercise price equals market price • exercise price exceeds market price • exercise price is less than market price	 Nil Nil Weighted average exercise price of the stock options granted during the year is ₹ 90.52

Sl. No.	Particulars	Disclosures
11	Weighted average fair value of the options whose: • exercise price equals market price • exercise price exceeds market price • exercise price is less than market price	 Nil Nil Weighted average fair value of the stock options granted during the year is ₹ 60.78

ii) Option movement during 2016-17:

Particulars	ESOS 2010
Number of options outstanding at the beginning of the year	1,200,000
Number of options granted during the year	2,010,190
Number of options forfeited during the year	110,132
Number of options expired during the year	–
Number of options exercised during the year	–
Number of options outstanding at the end of the year	3,100,058
Number of options vested during the year	360,000
Number of shares arising as a result of exercise of options	–
Money realized by exercise of options during the year (₹ lacs)	–
Number of options exercisable at the end of the year	360,000
Loan repaid by the Trust during the year from exercise price	NA

iii) Details of key managerial personnel & senior managerial personnel who were granted the options during the year:

Sr. No.	Particulars	Name of employee	Designation of employee	Number of options granted during the year	Exercise Price (₹)
1(a)	Details of grants to key managerial personnel	Mr Venkatesh N S	Executive Director & CFO	300,000	70
		Mr N Ramanathan	Company Secretary	10,000	95
1(b)	Details of grants to senior managerial personnel	Mr Sridhar R V S	Chief Risk Officer	300,000	90
		Mr Palaniappan M	Advisor	100,000	95
		Mr Akkidas Jacob Vidya Sagar	President (Retail Banking)	18,000	95
		Mr Gurumurthy R.K	Sr. Vice President (Treasury)	21,000	95
		Mr Nedumaran B	Sr.Vice President (HR)	14,250	95
		Mr Shankar A	SVP (SME, Rural Banking, Retail)	13,500	95
		Mr Padmanabhan Premkumar	SVP (Branch Banking, RB, Ops, IT)	13,500	95
		Mr Peeush Jain	SVP (TPP, Trans-formation, RB)	13,500	95
		Mr Manmadha Rao Boyina	Head - Transaction Banking	10,500	95

Sr. No.	Particulars	Name of employee	Designation of employee	Number of options granted during the year	Exercise Price (₹)
		Mr Sudhir Kaushik	Sr. Vice President (RH)	10,500	95
		Mr Venkatesh S.	Head - Relation-ship Mgt (WB)	10,500	95
		Mr Vasant Shukla	Senior Vice President	10,500	95
		Mr Manikandan M.	Vice President (IT)	7,125	95
		Mr Rajendran A.	Vice President (Strategy)	5,000	95
		Mr Sathyananda Prabhu	Head - Audit & Inspection	5,000	95
		Mr Ravindra Kumar G.	Vice President (Law)	5,000	95
		Mr Adithya B.S	VP (Corporate RM Group, WB)	5,000	95
		Mr Chanthirashekar V.	Vice President (RH)	4,800	95
		Mr Raghunathan N.	Vice President (Alt. Channels)	4,750	95
		Mr Prabakaran S.	Vice President (CCO)	4,750	95
		Mr Panneerselvam A.	Vice President (Treasury)	4,500	95
		Mr Murali S.Y.	Vice President (Credit Mont.)	4,500	95
		Mr Yogish K.	Vice President (RH)	4,200	95
		Mr Ramanan S.	Vice President (RH)	4,200	95
		Mr Pradeep Kumar	Vice President (RH)	4,200	95
		Ms Neena Anand	Vice President (Liabilities, RB)	4,000	95
		Mr Palaniappan M.	Vice President (RH)	3,600	95
		Ms Devyani Baidya	Head - Saving Account	3,500	95
		Mr Venkatesha N.D	Vice President (Credit Mont.)	3,500	95
		Mr Srinath M	Head - Operational Risk	3,500	95
		Mr Sushanta Roy	Head - Operations	3,500	95

Sr. No.	Particulars	Name of employee	Designation of employee	Number of options granted during the year	Exercise Price (₹)
		Mr Saravanan B	Head - MSME Rural & Commercial	3,500	95
		Mr Nandakumar S.D.	Head - Current Account	3,500	95
		Mr Ramesh S	Vice President & Head - Administration	3,500	95
		Mr Govind Ravindran	Head-Consumer lending & Retail Bkg	3,500	95
2	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	Mr Venkatesh N.S.	Executive Director & CFO	300,000	70
		Mr Sridhar RVS	Chief Risk Officer	300,000	90
3	Identified employees who were granted options, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Bank under the grant	–	–	–	–

iv) Accounting method and assumptions:

The fair value of the options is estimated on the date of the grant using the Black-Scholes options pricing model, with the following assumptions:

	As of 31st March, 2017
Dividend yield	2.28%
Expected life	4.51 years
Risk free interest rate	6.68%
Volatility	35.96%
Price of the underlying share in market at the time of the option grant.(₹)	132.27

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.

Annexure - I

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members
Lakshmi Vilas Bank Limited
Karur

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Lakshmi Vilas Bank Limited** (hereinafter called the Bank). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Bank has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on 31st March 2017according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')as amended from time to time:-

   a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

   b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   e) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;

   f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client, which does not apply to the bank;

   h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, which is not applicable as there was no delisting during the year; and

   i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, which is not applicable to the company as there was no buyback during the year;

vi. The following laws applicable to the banking companies:

   a) Bankers' Books Evidence Act 1891;

   b) Reserve Bank of India Act 1934;

   c) Banking Regulation Act 1949;

d) Banking Companies Rules 1949;

e) Reserve Bank of India (Amendment and Misc.Provisions) Act 1953;

f) Banking companies (Period of preservation of Records) rules 1985;

g) Securitization and Reconstruction of Financial Assets and Enforcement of security Interest (SARFAESI) Act 2002;

h) Prevention of Money Laundering Act (PMLA) 2002;

i) Prevention of Money Laundering (Maintenance of Records, etc) Rules 2005;

j) Banking Ombudsman Scheme 2006;

I have also examined compliance with the applicable clauses of the Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.

During the period under review the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act / SEBI Regulations / RBI directives.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Minutes of the meetings have recorded the discussions, observations, directions and resolutions of the Board / Board Committees.

I further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Bank has raised ₹ 167.79 Crores through issue and allotment of 1,19,85,138 equity shares of ₹ 10/- each through Qualified Institutional Placement (QIP) for increasing the capital adequacy ratio in line with RBI norms. The issue and allotment of shares under QIP are in compliance with the applicable Regulatory requirements.

I further report that during the period under review, the Nomination, Remuneration and Compensation Committee of the Board had granted 20,10,190 options to the eligible employees of the Bank under LVB- ESOS 2010 Scheme. The grants are in compliance with the Scheme of the Bank and applicable SEBI Regulations.

K. MUTHUSAMY
Practicing Company Secretary
M No: F 5865; CP: 3176

Place : Coimbatore
Date : 22.05.2017

Annexure - J

DIVIDEND DISTRIBUTION POLICY

I. Introduction:

The Lakshmi Vilas Bank Limited ("LVB") is a listed private sector bank incorporated under the provisions of Companies Act and operating under the provisions of the Banking Regulation Act, 1949. As on 31st March, 2017, the equity shares of the Bank are listed and traded in the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

II. Purpose:

Being a Banking entity, the Bank is required to ensure compliance with the provisions of the Banking Regulation, 1949, guidelines and circulars issued by the Reserve Bank of India on declaration and payment of dividend. Besides the same, being a public limited company listed with NSE and BSE and having ranked within Top 500 of the listed entities in terms of Market Capitalization as on 31st March 2017, the Bank is also required to ensure compliance with the provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, to the extent applicable to Banking Companies in terms of a policy with regard to Dividend Distribution.

Accordingly, this policy is framed under Regulation 43 A of the SEBI Listing Regulations, approved and adopted by the Board of Directors of the Bank.

III. Policy:

The Policy will be called as `Lakshmi Vilas Bank Dividend Distribution Policy' and shall be effective from the Financial Year 2016-17.

IV. Criteria for recommending Dividend:

The intent of the Bank is to reward the shareholders of the Bank by sharing a portion of the profits, whilst also ensuring that sufficient funds are retained for growth of the Bank.

The Bank shall declare and pay dividend only in compliance with the provisions of the Banking Regulation Act, regulatory guidelines/directions issued by the Reserve bank of India on declaration and payment of dividend by Banks from time to time, the provisions of the Companies Act and SEBI Listing Regulations to the extent applicable to Banking Companies.

The term Dividend includes both Interim and Final Dividend.

a) Circumstances under which the shareholders may or may not expect dividend:

The recommendation of dividend by the Board is dependent on various factors including eligibility criteria imposed by the regulators for recommendation & declaration of dividend, capital and reserve position of the Bank and other key financial parameters. Based on the applicable regulatory framework and financial position, the Board of directors may or may not decide to recommend dividend.

b) Financial and other parameters:

The Board of directors would consider the following financial parameters along with the statutory restrictions and directions applicable to Banks before recommending dividend to shareholders:

- Profitability and Key Financial Metrics.
- Any interim dividends paid.
- Auditors' qualifications pertaining to the statement of accounts, if any;
- Bank's capital position and requirements as per Internal Capital Adequacy Assessment Process (ICAAP) projections and other regulatory norms.
- Any other parameters as may be imposed by the regulators from time to time.

c) Internal and External factors:

The Board of Directors of the Bank would take into account both internal and external factors as may be applicable at the time of considering the proposal on the declaration of the dividend. Some of the major aspects are as under:

- The state of the economy of the country;
- Statutory and regulatory provisions/restrictions;

- Tax regulations including the treatment of deferred tax assets;
- Capital market conditions;
- Expectation of shareholders;
- Business Growth plan of the bank;
- Future Capital requirement;
- Cost of Raising funds;
- Replacement of Capital Assets;
- Ability to make timely coupon payments/redemption towards debt instruments issued by the Bank;
- Such other factors and material events which the Board may consider as relevant.

d) Utilization of Retained Earnings:

The Bank may utilize its retained earnings in the manner beneficial to the interest of the Bank and its stakeholders. The Bank would utilise the retained earnings for general corporate purposes, including organic growth. The Board may decide to employ the retained earnings in ensuring maintenance of an optimal level of capital adequacy, meeting the Bank's future growth/ expansion plans, other strategic purposes and/or distribution to shareholders, subject to applicable regulations.

e) Parameters that shall be adopted with regard to various classes of shares:

Since the Bank has only one class of shareholders and does not have any other class of shares (including shares with differential voting rights), the dividend declared will be distributed among the shareholders, based on their shareholding on the record date fixed for ascertaining the dividend entitlement.

V. Quantum of Dividend payable:

The Quantum of dividend payable would be subject to the Bank fulfilling the eligibility criteria set out by the relevant Acts andthe Reserve Bank of Indiaand the same shall be decided by the Board of Directors from time to time.

VI. Amendments and Review:

This policy will be reviewed annually by the Board of Directors of the Bank and this Policy will be in force till the time it is not amended or revoked by the Board.

VII. Disclosure:

The policy will be made available in the Bank's website - www.lvbank.com and will also be disclosed in the Annual Report as required under the SEBI Listing Regulations.

LAKSHMI VILAS BANK

INTEGRATED TREASURY

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Phone: 022- 22883149, 22040746, 22883261
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Our Swift Code - LAVBINBB

REGIONAL OFFICES

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Phone : 040 - 23734333
Fax : 040 - 23759211

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Tamil Nadu
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Fax : 044 - 28547529

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Phone : 022 - 28270236, 28270237
Fax : 022 - 28270234

MADURAI

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Tamil Nadu
Email : mduro_planning@lvbank.in
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KARUR

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Salem Road, Kathaparai, Karur - 639006
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Phone 04324 222046,222048
Fax: 04324 223644

VIJAYAWADA

D No: 31-23-1A, Besides BSNL Bhavan,
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Krishna Dist.
Email: Vijayawadaro_planning@lvbank.in
Phone: 0866-2440020

PUDUCHERRY

No:378 Mahatma Gandhi Road,
Canel Street Corner,
Puducherry-605001
Email: Puducherryro_planning@lvbank.in
Phone: 0413-2226431,432,433

LIST OF OVERSEAS CORRESPONDENTS

USA

1 Standard Chartered Bank, New York.

2 Mashreq Bank, New York

EUROPE

3 Standard Chartered Bank, Frankfurt, Germany.

4 Standard Chartered Bank, London

5 Commerz Bank AG, Germany.

6 Zurcher Kantonalbank, Zurich, Switzerland.

7 Svenska Handlesbanken, Stockholm, Sweden.

ASIA PACIFIC

8 Standard Chartered Bank, Tokyo, Japan.

9 Westpac Banking Corporation, Australia.

10 Standard Chartered Bank, Singapore.

LAKSHMI VILAS BANK

BRANCH OFFICES

ANDHRA PRADESH

1 Adoni
2 Amalapuram
3 Anakapalle
4 Ananthapur
5 Ananthavarappadu
6 Angalakuduru
7 Annamayya Circle (Tirupathi)
8 Bhavanipuram
9 Bhimavaram
10 C.Kothapeta
11 Chittoor
12 Cuddapah
13 Doddavaram
14 Dommaranandyala
15 Dondapadu
16 Eluru
17 Gajuwaka- Hyderabad
18 Gopalpatnam (Vizag)
19 Governorpet (Vijayawada)
20 Guntur
21 Kadiam
22 Kakinada
23 Kapavaram
24 Kovvur
25 Krishnapatnam
26 Kurnool
27 Lakshmipuram - Guntur
28 Lam
29 Mangalagiri
30 Marichetlapalem
31 Markapur
32 MVP Colony (Vishakapatnam)
33 Nandigama
34 Nandiyal
35 Narasaraopet
36 Nellore
37 Ongole
38 Palasa - Kassibugga
39 Pedapulipaka
40 Piduguralla
41 Ponnur
42 Prodattur
43 Rajamundri
44 Sivakodu
45 Srikakulam
46 Sulthanagaram
47 Tadepalli
48 Tadepalligudam
49 Tanuku
50 Tenali
51 Thimmapuram
52 Thurputallu
53 Tirupathi
54 Vijayawada
55 Ring Road - Vijayawada
56 Vinukonda
57 Vishakapatnam
58 Vizianagaram

CHATTISGARH

59 Dhamtari
60 Durg
61 Mahasamund
62 Raipur

GUJARAT

63 Ahmedabad
64 Anand
65 Bharuch
66 Gandhidham
67 Gandhinagar
68 Jamnagar
69 Navasari
70 Rajkot
71 Surat I
72 Surat II
73 Vadodara
74 Vapi

HARYANA

75 Faridabad
76 Gurgaon
77 Karnal
78 Panipat

JHARKHAND

79 Jamshedpur
80 Ranchi

KARNATAKA

81 Ballari
82 Banashankari (Bengaluru)
83 Bangarpet
84 Bannerghatta Road - (Bengaluru)
85 Basavanagudi (Bengaluru)
86 Basaveshwaranagar (Bengaluru)
87 Belagavi
88 Bengalauru-main
89 Bommanahalli (Bengaluru)
90 BTM Layout (Bengaluru)
91 Cantonment (Bengaluru)
92 Channarayapatna
93 Chikballapur
94 Chitradurga
95 City market (Bengaluru)
96 Davangere
97 Devanahalli (Bengaluru)
98 Dharwad
99 Gadag
100 Halasuru (Bengaluru)
101 Hassan
102 HBR - Layout - (Bengaluru)
103 Honnasandra
104 Hosapete
105 HSR Layout (Bengaluru)
106 Hubballi
107 Jalahalli (Bengaluru)
108 Jayanagar (Bengaluru)
109 Kalaburagi
110 Kengeri (Bengaluru)
111 Kollegal
112 Koramangala (Bengaluru)
113 Malleshwaram (Bengaluru)
114 Mandya
115 Mangaluru
116 Mudbidri
117 Mysuru
118 Puttur
119 Raichur
120 Rajarajeshwarinagar (Bengaluru)
121 Ranebennur
122 RT Nagar (Bengaluru)
123 Shivamogga
124 Sirsi
125 Thippasandra (Bengaluru)
126 Tumakuru
127 Ulaibettu
128 Vijayanagar (Mysuru)
129 Vishveswarapura (Bengaluru)
130 Yadgir
131 Yelahanka (Bengaluru)

KERALA

132 Alappuzha
133 Calicut
134 Chalakudy
135 Ernakulam (Cochin)
136 Guruvayoor
137 Kollam
138 Kottayam
139 Malapuram
140 Palakkad
141 Perumbavoor
142 Thiruvananthapuram
143 Thrissur
144 Vavvakavu

MADHYA PRADESH

145 Ashta
146 Bhopal
147 Indore
148 Jabalpur

MAHARASHTRA

149 Andheri (Mumbai)
150 Boisar
151 Borivili (Mumbai)
152 Chembur (Mumbai)
153 Fort (Mumbai)
154 Ghatkopar (Mumbai)
155 Kalyan (Mumbai)
156 Kharghar (Mumbai)
157 Kolhapur
158 Malad(west) (Mumbai)
159 Matunga (Mumbai)

160 MulundWest (Mumbai)
161 Nagpur
162 Nasik
163 Panvel (Mumbai)
164 Pune
165 Thane (Mumbai)
166 Vasai (Mumbai)
167 Vashi (Mumbai)

NEW DELHI

168 Jamukoli
169 Ashok vihar (New Delhi)
170 Janpath (New Delhi)
171 Kalkaji (New Delhi)
172 Karolbagh (New Delhi)
173 Krishnanagar (New Delhi)
174 Mahavir Nagar (New Delhi)
175 Rohini (New Delhi)
176 Shalimar Bagh (New Delhi)

ODISHA

177 Bhubaneshwar
178 Cuttack
179 Majhihara

PUDUCHERRY

180 Ambagarathur
181 Karaikal
182 Lawspet (Puducherry)
183 Puducherry
184 Reddiyarpalyam (Puducherry)

RAJASTHAN

185 Bhilwara
186 Jaipur

TAMILNADU

187 Adambakkam (Chennai)
188 Adayar (chennai)
189 Alathur
190 Ambasamudram
191 Ambattur (Chennai)
192 Ambilikai
193 Ambur
194 Ammapet (Salem)
195 Anbil
196 Anna Nagar (Chennai)
197 Anna Nagar (Madurai)
198 Annur
199 Arakandanallur
200 Arantangi
201 Arasappapillaipatti
202 Ariyalur
203 Arni
204 Aruppukkottai
205 Attur
206 Avalpoondurai
207 Ayothiapattinam (Salem)
208 Balasamudram
209 Bargur
210 Batlagundu
211 Bhuvanagiri
212 Bibikulam (Madurai)
213 Bodinayakanur
214 Bye Pass Road, Madurai
215 C. Pudupatti
216 C.K.Street (Salem)
217 Cantonment (Trichy)
218 Cathedral Road (Chennai)
219 Chengalpattu
220 Chennai-Main
221 Chidambaram
222 Chinna Salem
223 Chinnadharapuram
224 Chinthalavadi
225 Chittode
226 Chrompet (Chennai)
227 Coimbatore - MAIN
228 Cuddalore
229 Cumbum
230 Dharapuram
231 Dharmapuri
232 Dindigul
233 Eachanari(Coimbatore)
234 Erode
235 G.N.Street (Chennai)
236 Ganapathy (Coimbatore)
237 Gandhigramam (Karur)
238 Gandhimanagar (Coimbatore)
239 Gandhipuram (Coimbatore)
240 Gingee
241 Gobichettipalayam
242 Gopalapatti
243 Guduvancheri (Chennai)
244 Gugai (Salem)
245 Hosur
246 Idayakottai
247 Iyyampalayam
248 J.Veeranam
249 Jalakandapuram
250 Jegadabi
251 K K Nagar (Chennai)
252 K.Vadamadurai (Coimbatore)
253 Kachirapalayam
254 Kadalangudi
255 Kadambuliyur
256 Kalangani
257 Kallakurichi
258 Kallalangudy
259 Kambarasampettai
260 Kancheepuram
261 Kandili
262 Kangayam
263 Kanjampatti
264 KanmaiSoorangudi
265 Karaikudi
266 Karanodai
267 Karur Main (Karur)
268 Karur West (Karur)
269 Kathaparai (Karur)
270 Kattugudalur
271 Kattuputhur
272 Kavaraipettai (Chennai)
273 Kaveripattinam
274 KK Pudur (Coimbatore)
275 Kodambakkam (Chennai)
276 Kolappakam (Chennai)
277 Kolathur (Chennai)
278 Kombai
279 Kondalampatti (Salem)
280 Kondamanaickenpatty
281 Kondikulam
282 Kottivakkam (Chennai)
283 Koundampalayam (Coimbatore)
284 Kovaipudur (Coimbatore)
285 Kovilpatti
286 Krishnagiri
287 Kulithalai
288 Kumbakonam
289 Kuniyur
290 Kurumbapatti
291 La Gudalur
292 Lakkapuram
293 Lalgudi
294 M.N.Palayam
295 M.Puthur
296 Madipakkam (Chennai)
297 Madukkur North
298 Madurai Main
299 Mahadhanapuram
300 Manamedu
301 Manapparai
302 Mangarai
303 Mannargudi
304 Marakkottai
305 Marandahalli
306 Markkampatti
307 Mathur (Erode)
308 Mathur (Krishnagiri)
309 Mayiladuthurai
310 Mecheri
311 Melur
312 Mettupalayam
313 Mettur Dam
314 Michealpatti
315 Mogappair (Chennai)
316 Mohanur
317 Moolangudi
318 Moolapalayam(Erode)
319 Moulivakkam(Chennai)
320 Mount Road (Chennai)
321 Mudhugampatti
322 Muthugapatti
323 Muthupet
324 Muthur
325 Mylambadi
326 Mylapore (Chennai)
327 Nagapattinam
328 Nagercoil
329 NaickerNew Street (Madurai)

330 Namakkal
331 Nathakadaiyur
332 Nathamedu
333 Nedumpuli
334 Nerinjipettai
335 Neyveli
336 Nidur
337 Nungambakkam (Chennai)
338 Oddanchathram
339 Olapalayam
340 Ondipudur (Coimbatore)
341 Othakadai(Madurai)
342 P.Ayeepalayam
343 Palacode
344 Palani
345 Palayamkottai
346 Pallipalayam
347 Panruti
348 Papanad
349 Papanasam
350 Pattukottai
351 Pennagaram
352 Perambalur
353 Perambur(Chennai)
354 Peravurani
355 Periyakulam
356 Perungalathur(Chennai)
357 Podakudy
358 Pollachi
359 Pudukkottai
360 Pugalur
361 Puliyakulam(Coimbatore)
362 Punavasal East
363 Purasawalkam (Chennai)
364 R S Puram(Coimbatore)
365 R.Pudupatti
366 Rajapalayam
367 Rajendram
368 Ramanathapuram
369 Ramanathapuram (Coimbatore)
370 Ramapuram(Chennai)
371 Rasipuram
372 Rayakotta
373 Royapuram (Chennai)
374 Saidapet(Chennai)
375 Salem Town
376 Sambankulam
377 Sankarapuram
378 Sankari
379 Sathyamangalam
380 Sattur
381 Seevalaperi (Satellite branch)
382 Selaiyur (Chennai)
383 Sentharapatti
384 Shevapet (Salem)
385 Siddhapudur (Coimbatore)
386 Sikkal
387 Sindalapatti
388 Sirumayangudi
389 Sivakasi
390 South Masi Street(Madurai)
391 Sriperumbudur(Chennai)
392 Srirangam (Trichy)
393 Srivilliputhur
394 Sundarapandiam
395 Suramangalam (Salem)
396 Swarnapuri (Salem)
397 T.Nagar (Chennai)
398 Tanjore
399 Tenkasi
400 Thallakulam (Madurai)
401 Thayanur
402 Theni
403 Thillai Nagar (Trichy)
404 Thimmanandal
405 Thindal
406 Thirukattupalli
407 Thirumangalam
408 Thiruvaiyaru
409 Thiruvallur(Chennai)
410 Thiruvarur
411 Thiruvidaikazhi
412 Thittagudi
413 Thokkavadi
414 Thorapakkam (Chennai)
415 Thottiyam
416 Tindivanam
417 Tirpur
418 Tiruchengode
419 Tirukadaiyur
420 Tirukoilur
421 Tirunelveli Town
422 Tiruthuraipoondi
423 Tiruvannamalai
424 Trichy (Main)
425 Triplicane (Chennai)
426 Turaiyur
427 Tuticorin
428 Udayamarthandapuram
429 Udumalpet
430 Ulipuram
431 Unjalur
432 Upilipalayam (Coimbatore)
433 Uranganpatti
434 Uttamarkoil(Trichy)
435 Vadavalli(Coimbatore)
436 Vadugapalayam
437 Valasarawalkam (Chennai)
438 Velacherry (Chennai)
439 Vellakoil
440 Velliyani
441 Vellore (NA)
442 Velur (Namakkal)
443 Vengaivasal(Chennai)
444 Vengamedu (Karur)
445 Venjuvancheri(Chennai)
446 Venkatakrishnapuram
447 Vettavalam
448 Vichoor (Chennai)
449 Vilangudi
450 Villapuram (Madurai)
451 Villivakkam (Chennai)
452 Villupuram
453 Virudhunagar
454 Vridhachalam
455 West Mambalam (Chennai)
456 West Tambaram (Chennai)
457 Yethapur

TELANGANA

458 A.S Rao Nagar (Hyderabad)
459 Adilabad
460 Alwal - Secundrabad
461 Ameerpet (Hyderabad)
462 Asifabad
463 Atevelle
464 Banjara Hills (Hyderabad)
465 Boduppal
466 Habsiguda (Hyderabad)
467 Hanumakonda
468 Hyderabad Main
469 Jadcherla
470 Jagtial
471 Jangaon
472 Karim Nagar
473 Karmanghat (Hyderabad)
474 Khammam
475 Kompally
476 Kothapeta (Hyderabad)
477 Kukatpally (Hyderabad)
478 Madhapur (Hyderabad)
479 Malkajgiri (Hyderabad)
480 Mallemadugu
481 Mancherial
482 Mehabubnagar
483 Mehdipatnam (Hyderabad)
484 Miryalguda
485 Nalgonda
486 Navandgi
487 Nizamabad
488 Peruvancha
489 Ponnal
490 Punjagutta(Hyderabad)
491 Ramachandrapuram (Hyderabad)
492 Secundrabad (Hyderabad)
493 Suryapet
494 Vanasthalipuram
495 Warangal
496 West Maredpally (Hyderabad)

UTTAR PRADESH

497 Ghaziabad
498 Noida

WEST BENGAL

499 Garia
500 Kolkata - New Alipur
501 Kolkata

A DECADE OF PROGRESS

(Amount given in Lacs)

Year	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Paid-up Capital	4877.22	4877.62	9750.87	9752.58	9752.58	9754.07	9756.07	17916.67	17946.16	19144.67
Reserve & Surplus	36890.54	40493.97	64148.86	79490.91	86083.93	91680.38	95603.85	137697.60	158413.25	194489.50
Deposits	561848.82	736090.00	907537.77	1114951.07	1411414.00	1561897.79	1857288.21	2196421.22	2543096.15	3055335.35
Advances	385878.75	524583.00	627749.52	809442.28	1018867.97	1170279.56	1288918.96	1635201.90	1964373.90	2372891.14
Investments	169367.77	186306.00	298322.23	351885.03	439511.80	432454.68	568867.76	605115.62	654540.46	865173.03
Net Profit	2526.91	5030.00	3066.80	10113.68	10702.22	9157.45	5965.55	13228.59	18023.58	25607.21
Number of Branches	239	251	271	274	290	291	361	400	460	481
Staff Position	2078	2433	2655	2626	3054	3149	3292	3459	3565	4043
Earning Per Share (₹)	5.18	10.31	4.95	10.37	10.97	9.39	6.11	9.16	10.05	14.07
Book Value (₹)	85.63	93.02	75.79	83.23	90.14	92.88	100.16	82.48	88.70	102.74
Market Price	97.95	63.50	79.21	98.00	85.05	81.35	71.15	101.60	81.15	166.40
Dividend Per Share (₹)	1.50	2.50	0.60	2.50	3.50	3.00	1.00	2.00	3.00	2.70

*Terms & Conditions Apply

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Lvb Saanvi



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- ✓ Customize your e-commerce transaction limits
- ✓ Preferential rates for motor insurance
- ✓ Higher Personal Accident Insurance Cover
- ✓ Permanent Total Disability Cover, and
- ✓ Hospitalization expenses due to accident

LAKSHMI VILAS BANK



LAKSHMI VILAS BANK

Registered Office:
Salem Main Road, Kathaparai, Karur - 639 006, Tamilnadu.
Website: www.lvbank.com ; Toll Free No. 1800 - 425 - 2233

THE LAKSHMI VILAS BANK LIMITED

CIN L65110TN1926PLC001377

Registered Office: Salem Road, Kathaparai, Karur - 639 006.
Corporate Office: "LVB House", No.4, Sardar Patel Road, Guindy, Chennai - 600 032.
Website: www.lvbank.com, Tel No: 044-22205306, Email: secretarial@lvbank.in

NOTICE TO THE MEMBERS

Notice is hereby given that the 90th Annual General Meeting of the Members of The Lakshmi Vilas Bank ("Bank") Limited will be held at the Registered Office of the Bank, Salem Road, Kathaparai, Karur - 639 006 on Tuesday, 18th July, 2017 at 10.00 a.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the bank for the year-ended 31st March, 2017 and the Report of the Directors' and the Auditors' thereon.

2. To declare dividend.

3. To appoint a Director in the place of **Shri N. Malayalaramamirtham, (DIN 06846587)** who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint auditors and if thought fit to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**.

   "**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the applicable provisions of Banking Regulation Act, 1949, including statutory modification(s) or re-enactment thereof for the time being in force and the rules, circulars, guidelines issued by the Reserve Bank of India as applicable, M/s. R.K. Kumar & Co, Chartered Accountants, Chennai, Firm Registration No.001595S be and are hereby appointed as Statutory Auditors of the Bank to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting, subject to the approval of the Reserve Bank of India on such remuneration and reimbursement of out-of-pocket expenses, if any, as may be fixed by the Board of Directors on the recommendation of the Audit Committee of the Board."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

   "**RESOLVED THAT** the Board of Directors of the Bank be and is hereby authorized to appoint, in consultation with Statutory Auditors, the Branch Auditors who are qualified to act as Auditors, including Statutory Auditors pursuant to the provisions of Section 143(8) and other applicable provisions of the Companies Act, 2013 for the purpose of audit of the Branches of the Bank and to decide the Branch Offices to be audited by such Branch Auditors and to fix their remuneration and reimbursement of out of pocket expenses incurred, if any in connection with the Audit, based on the recommendation of the Audit Committee of the Board."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

   "**RESOLVED THAT** consent of members of bank be and is hereby accorded for the appointment of **Shri N.S. Venkatesh, (DIN 01893686)** as the Executive Director of the Bank, who is also the Chief Financial Officer of the bank and as approved by the Reserve Bank of India under Section 35B of the Banking Regulation Act, 1949 for a period of 3 years from the date of his taking charge on the terms and conditions as set out in the explanatory statement annexed to this notice, not liable to retire by rotation.

   RESOLVED FURTHER THAT the consent of the members of the bank be and is hereby accorded to the Board of Directors to revise the remuneration and perquisite payable to **Shri N.S. Venkatesh (DIN 01893686)** as Executive Director & Chief Financial Officer of the Bank from time to time subject to approval, as may be required from the Reserve Bank of India in terms of the provisions of Section 35B of the Banking Regulation Act, 1949".

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

   "**RESOLVED THAT** consent of the members of the Bank be and is hereby accorded for appointment of **Shri B.K. Manjunath, (DIN 00319891)** as the Non-Executive Chairman of the Bank for a period of 3 years as per the terms as approved by Reserve

Bank of India under Section 10B of the Banking Regulation Act, 1949, and other applicable provisions of the Companies Act, 2013, who will be classified as an Independent Director of the Bank not liable to retire by rotation.

RESOLVED FURTHER THAT consent of the members of the Bank be and is hereby accorded for payment of remuneration/ honorarium to Shri B.K. Manjunath as Non-Executive Chairman of the Bank as per the terms and conditions which are set out in the explanatory statement attached to the notice convening this Annual General Meeting, and as approved by Reserve Bank of India in terms of the provisions of the Section 10B of the Banking Regulations Act, 1949.

RESOLVED FURTHER THAT consent of the members of the Bank be and is hereby accorded to the Board of directors to revise the remuneration and perquisites payable to Shri B.K. Manjunath as Non-Executive Chairman of the Bank from time to time as approved by Reserve Bank of India in terms of the provisions of the Section 10B of the Banking Regulation Act, 1949."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

"**RESOLVED THAT** pursuant to the provisions of Sections 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended and applicable provisions of the Banking Regulation Act, 1949, as amended, **Smt. Anuradha Pradeep, (DIN 00291763)** who was appointed as an Additional Director pursuant to Section 161 and other applicable provisions, if any of the Companies Act, 2013 and in respect of whom the Bank has received a notice in writing along with deposit as prescribed under the provisions of Section 160 of the Companies Act, 2013, proposing her candidature for the office of director, be and is hereby appointed as a Director of the Bank, liable to retire by rotation."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended and provisions of the Banking Regulation Act, 1949, as amended and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Shri Y. N. Lakshminarayana Murthy, (DIN 07534836**) who was appointed as an Additional Director pursuant to Section 161 and other applicable provisions, if any of the Companies Act, 2013 and in respect of whom the Bank has received a notice in writing along with deposit as prescribed under the provisions of Section 160 of the Companies Act, 2013, proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Bank, for a period of three (3) years from the date of this meeting, not liable to retire by rotation."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended and provisions of the Banking Regulation Act, 1949, as amended and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Shri Kusuma R Muniraju, (DIN 02111974)** who was appointed as an Additional Director pursuant to Section 161 and other applicable provisions, if any of the Companies Act, 2013 and in respect of whom the Bank has received a notice in writing along with deposit as prescribed under the provisions of Section 160 of the Companies Act, 2013, proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Bank, for a period of two (2) years from the date of this meeting or such other period as prescribed by the extant regulations/circulars of RBI, whichever is earlier and he shall not be liable to retire by rotation."

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended and provisions of the Banking Regulation Act, 1949, as amended and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Shri Hemant Kaul, (DIN 00551588)** who was appointed as an Additional Director pursuant to Section 161 and other applicable provisions, if any of the Companies Act, 2013 and in respect of whom the Bank has received a notice in writing along with deposit as prescribed under the provisions of Section 160 of the Companies Act, 2013, proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Bank, for a period of three (3) years from the date of this meeting, not liable to retire by rotation."

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

"RESOLVED THAT pursuant to the provisions of Sections 42, 62 (1) (c), 71 and other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**") read with the Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and such other rules as may be issued from time to time (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the provisions of Memorandum & Articles of Association of the Bank, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**SEBI LODR Regulations**"), the provisions of Securities and Exchange Board of India ("**SEBI**") Act 1999, as amended from time to time, Securities and Exchange

Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, ("**SEBI ICDR Regulations**"), as amended, Foreign Exchange Management Act ("**FEMA**") 1999, as amended from time to time, Master Directions on Issue and Pricing of Shares by Private Sector Banks, 2016 issued by the Reserve Bank of India ("**RBI**") and any other statutory guidelines/regulations, if any, prescribed by the SEBI, RBI, the Stock Exchanges, the Government of India ("**GOI**") or any other relevant authority from time to time, to the extent applicable, and subject to such approvals, consents, permissions, and sanctions as may be required and subject to such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent of the Bank be and is hereby accorded to the Board to issue, offer and allot, in one or more tranches, up to 5,00,00,000 Equity Shares of ₹10/- ("Equity Shares") each or hybrid instruments / securities ("Securities") resulting in, up to 5,00,00,000 Equity shares of ₹10/- each (including the provisions for reservation on firm and /or competitive basis, of such part of issue and for such categories of persons as may be permitted) in the course of one or more public or private offerings in domestic and/or international market(s), either in the form of Qualified Institutional Placement (QIPs) to Qualified Institutional Buyers (QIBs) and/ or Equity Shares through Depository Receipts, including in the form of Global Depository Receipts (GDRs) and /or American Depository Receipts (ADRs) to eligible investors (whether residents and/or non-residents and/or strategic investors and/or institutions/banks and/or incorporated bodies and/or individuals and/or trustees and/ or stabilization agents and/ or mutual funds and/or venture capital funds, and/or Indian and/ or multi-lateral financial institutions or otherwise, and irrespective of whether or not such investors are members of the Bank, through prospectus and/or letter of offer and / or placement document or circular and/or on public and/or private, such issue and allotment to be made at such time(s) in one or more tranches, by way of cash at such price or prices, in such manner, on such terms and conditions as the Board, may in its absolute discretion, decide at the time of issue of the aforesaid Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby also authorised to determine the form, terms and timing of the issue(s), including the class of investors to whom the Equity Shares / Securities are to be allotted, number of Equity Shares / Securities to be allotted in each tranche, issue price, face value, premium amount in issue/conversion/exercise/redemption, rate of interest, redemption period, listings on one or more stock exchanges in India or abroad as the Board may in its absolute discretion deems fit and to make and accept any modifications in the proposals as may be required by the authorities involved in such issue(s) in India and/or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

RESOLVED FURTHER THAT in case of a qualified institutional placement pursuant to Chapter VIII of the SEBI ICDR Regulations, the allotment of Securities (or any combination of the Securities as decided by the Board) shall only be to Qualified Institutional Buyers within the meaning of Chapter VIII of the ICDR Regulations, such Equity Shares / Securities shall be fully paid-up and the allotment of such Equity Shares / Securities shall be completed within 12 months from the date of this resolution at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations and the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the ICDR Regulations, as amended from time to time.

I. **RESOLVED FURTHER THAT** in case of QIP issue the relevant date for determination of the floor price of the Equity Shares / Securities to be issued shall be in case of allotment of equity shares, the date of meeting in which the Board decides to open the proposed issue.

II. in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Equity Shares / Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices etc.

RESOLVED FURTHER THAT the Board may enter into any arrangement with any agencies or bodies for the issue of depository receipts represented by underlying equity shares in the share capital of the Bank with such features and attributes as are prevalent in international / domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and / or international practice or regulations and under the norms and practices prevalent in the domestic / international capital markets and subject to applicable laws and regulations and the articles of association of the Bank.

RESOLVED FURTHER THAT in the event of depository receipts, the pricing shall be determined in compliance with the principles and provisions set out in the Depository Receipts Scheme, 2014, the Foreign Exchange Management (Transfer or Issue of

Securities by a person resident outside India) Regulations, 2000 and such other notifications, clarifications, guidelines, rules and regulations issued by relevant authorities (including any statutory modifications, amendments or reenactment thereof).

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as foreign currency convertible bonds, subject to the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipts Mechanism) Scheme, 1993 including any statutory modifications, re-enactments or amendments from time to time and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of pricing of the security to be issued pursuant to such issue shall be the date of the meeting in which the Board or duly authorized committee of directors decides to open such issue after the date of this Resolution or such other date as may be prescribed under the applicable law.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue offer and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred to above and as may be necessary in accordance with the terms of the offer, subject to the provisions of Memorandum and Articles of Association of the Bank or other applicable legal provisions and shall rank pari-passu inter se with the then existing equity shares of the Bank in all respects including as to dividend.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorised on behalf of the Bank, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in this regard in its absolute discretion and deem necessary or desirable for such purpose, including without limitation finalisation and approval of the preliminary as well as final offer document(s), placement document or offering circular, as the case may be, the entering into of marketing and similar agreements and to remunerate the managers, and all other agencies/intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings of Equity Shares / Securities, finalization of the number and price of Equity Shares / Securities to be issued in each tranche thereof, form, terms and timing of the issue of Equity Shares / Securities including for each tranche of such issue of Equity Shares / Securities, identification of the investors to whom Equity Shares / Securities are to be offered, utilization of the proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities, with power on behalf of the Bank to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose of the aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer and allotment of Equity Shares / Securities and utilization of the issue proceeds including but without limitation to the creation of such mortgage/hypothecation / charge on the Bank's assets under Section 180(1) (a) of the said Act in respect of the aforesaid Equity Shares / Securities either on pari-passu basis or otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board shall have the authority and power to accept any modification in the proposal as may be required or imposed by the Government of India / Reserve Bank of India / Securities & Exchange Board of India / Stock Exchanges where the shares of the Bank are listed or such other appropriate authorities at the time of according / granting their approvals, consents, permissions and sanctions to issue, allotment and listing thereof and as agreed to by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred above to any Committee of Directors or any one or more Executives of the Bank."

13. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules made thereunder, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the applicable provisions of the Banking Regulation Act, 1949, as amended, and the rules, circulars and guidelines issued by Reserve Bank of India ("RBI") from time to time (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and all other relevant provisions of applicable law(s), the provisions of the Memorandum and Articles of Association of the Bank and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory or regulatory authority(ies), the approval of the Members of the Bank be and is hereby accorded for borrowing/raising funds in Indian/ foreign currency by issue of debt securities including but not limited to non-convertible debentures, bonds (including bonds forming part of Tier I/ Tier II capital, secured or unsecured, listed or unlisted, in accordance with and subject to the terms and conditions specified in the Basel III Capital Regulations prescribed by RBI, long-term infrastructure bonds or such other bonds as may be permitted by RBI from time to time) up to ₹ 250 Crores (Rupees Two Hundred and Fifty Crores Only) (collectively the "debt securities") by the Bank, in one or more tranches and/or series, in domestic and/or overseas market, as per the agreed structure permitted by RBI and

other regulatory authorities, to eligible investors on private placement basis during a period of one year from the date of passing of this resolution, within the overall borrowing limits of the Bank, as approved by the Members, from time to time.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "Board") of the Bank or any Committee of the Board or such other persons as may be authorized by the Board or its Committee, be and are hereby authorized to negotiate, modify and finalize the terms and conditions of the debt securities and sign the relevant documents/agreements in connection with the private placement of the debt securities, including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, debenture subscription agreement, debenture trustee agreement, debenture trust deed and any other documents as may be required, in connection with the offering(s), issuance(s) and/or allotment(s) on private placement of debt securities by the Bank and to further delegate the above powers to any Committee of Directors or any personnel of the Bank to act on their behalf as they may deem fit and to do all such other acts and things and to execute all such documents as may be necessary for giving effect to this resolution."

14. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and in accordance with the Memorandum and Articles of Association of the Bank, the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred as "SEBI SBEB Regulations"), Banking Regulation Act, 1949, and further subject to such other approvals, permissions and sanctions as may be necessary and upon such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Members of the Bank be and is hereby accorded to the introduction and implementation of LVB Employee Stock Option Scheme 2017 (hereinafter referred to as the "ESOS 2017") authorizing the Board of Directors of the Bank (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination, Remuneration and Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to create and grant from time to time, in one or more tranches, not exceeding 50,00,000 (Fifty lakhs only) Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the Bank, its subsidiary company or holding company, if any, including any Director, whether whole time or otherwise, (other than Promoters of the Bank, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Bank) ("**Employees**") , as may be decided under ESOS 2017, exercisable into not more than 50,00,000 (Fifty lakhs only) options, each Option giving the right to but not the obligation to the holder to subscribe for cash, equity shares of face value of ₹10 (Rupees Ten) each fully paid-up, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of ESOS 2017.

RESOLVED FURTHER THAT the Board, Nomination, Remuneration and Compensation Committee and any committee formed for this purpose be and is hereby authorised to issue and allot Equity Shares upon exercise of options by Employee from time to time in accordance with the ESOS 2017 and other applicable laws in force.

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank pari-passu in all respects with the then existing equity shares of the Bank.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are to be issued by the Bank to the Option grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling on the number of Options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Bank are sub-divided or consolidated, then the number of equity shares to be allotted and the exercise price payable by the option grantees under the ESOS 2017 shall automatically stand augmented or reduced in the same proportion as the present face value of ₹10 (Rupees Ten) per equity share bears to the revised face value of the equity shares of the Bank after such consolidation / sub-division, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the Board including designated committee of the Board, if any, be and is hereby authorised to take requisite steps for listing of the Equity Shares allotted under ESOS 2017 on the Stock Exchanges where the Equity Shares of the Bank are listed.

RESOLVED FURTHER THAT the Bank shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOS 2017.

RESOLVED FURTHER THAT the Board including designated committee of the Board, if any be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOS 2017 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such

purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOS 2017 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of ESOS 2017 as also to make applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

BY ORDER OF THE BOARD
For THE LAKSHMI VILAS BANK LIMITED

Place : Chennai
Date : 06.06.2017

N. RAMANATHAN
Company Secretary
ACS No. 28366

Notes:

1. An Explanatory Statement as required under Section 102 of the Companies Act, 2013, pertaining to the special business contained in Item No.5 to 14 above is annexed herewith.
2. The Additional information pursuant to Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director seeking re-election vide Item No.3 are detailed elsewhere in the notice. The additional information for Item No.6 to 11 is provided as a part of the explanatory statement. The Director has furnished the requisite declaration for his appointment/re-appointment.
3. All relevant documents referred to in the Notice are open for inspection at the Registered Office of the Bank on all working days between 11.00 a.m. to 01.00 p.m. upto the date of the Annual General Meeting.
4. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIM/HER. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE BANK. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE BANK. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE BANK, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS SENT HEREWITH. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.
5. The Register of Members and the Share Transfer Books of the Bank will remain closed from 11.07.2017 to 17.07.2017 (both days inclusive).
6. Dividend, if declared, will be paid to those members holding physical shares whose names stand on the Register of Members of the Bank as on 17.07.2017 and in case of dematerialized shareholders, to those Beneficial owners whose names stand on the records of the Depositories as at the close of working hours on 10.07.2017, subject to the relevant provisions of Companies Act, 2013.
7. In compliance of SEBI direction to all listed companies to maintain all works relating to share registry - both physical and electronic at single point i.e. either in house or by SEBI Registered "Registrar & Transfer Agent (RTA)", Bank has appointed M/s. Integrated Registry Management Services Private Limited (Previously known as M/s. Integrated Enterprises (India) Limited), Chennai - 600 017 as Share Transfer Agent for both physical and demat segments with effect from 30.01.2003.

   Address of Share Transfer Agent:
   M/s. Integrated Registry Management Services Private Limited
   II Floor, "Kences Towers", No.1 Ramakrishna Street,
   North Usman Road, T.Nagar, Chennai - 600 017
   Ph: 044-28140801/2/3 Fax: 28142479/28143378
   Email: lvb@integratedindia.in

8. Members are requested to notify any change in their address along with the pin code immediately to Share Transfer Agent and in case their shares are held in demat form; this information should be sent to the concerned Depository Participant.

9. With a view to provide protection against fraudulent encashment of dividend warrants, members holding shares in physical form are requested to provide, if not already provided earlier, their bank account numbers, name and address of the bank and branch, to Share Transfer Agent, M/s. Integrated Registry Management Services Private Limited, Chennai - 600 017 to incorporate the said details on the dividend warrants. Members will appreciate that the bank will not be responsible for any loss arising out of fraudulent encashment of the dividend warrants.

10. **Unclaimed Dividends:**

    a) Shareholders and Beneficial owners who have not so far encashed/claimed the dividends for the last 7 years i.e. from 2009-2010 to 2015-2016 have to submit the dividend warrant(s) if any available with them for revalidation to the Registrar & Share Transfer Agent, M/s. Integrated Registry Management Services Private Limited, II Floor, "Kences Towers", No. 1 Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017. Shareholders who have lost the dividend warrants are advised to execute the indemnity bond and send to the Registrar.

    b) In terms of Section 124(5) & 124(6) read with section 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the dividend which were unclaimed for a period of seven years or more have to be transferred to "Investor Education and Protection Fund" maintained with Central Government. As per the IEPF Rules, the Bank is also required to transfer the equity shares in respect of which dividends are not claimed for the last 7 consecutive years for credit to IEPF Suspense account (in Dematerialized form) as would be identified by the IEPF authority pursuant to Rule 6 of the IEPF Rules. The details of the unclaimed dividend of the shareholders are uploaded in the website of Investor Education and Protection Fund as well as the website of the Bank and the shareholders may verify their details from the said websites.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Bank or with our Registrar & Transfer Agent, M/s. Integrated Registry Management Services Private Limited, Chennai.

12. Green Initiatives in Corporate Governance - Shareholders who have not registered their email address so far are requested to register their email address (for demat holders - with their respective DPs and for holders in physical form - with our Registrar & Transfer Agent, M/s. Integrated Registry Management Services Private Limited, Chennai).

13. Electronic copy of the Annual Report for 2016-2017 is being sent to all the members whose email IDs are registered with their respective DPs or with our Registrar & Transfer Agent, as stated above for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-2017 is being sent in the permitted mode.

14. Electronic copy of the Notice of the 90th Annual General Meeting of the Bank inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Bank/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 90th Annual General Meeting of the Bank inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

15. Members may also note that the Notice of the 90th Annual General Meeting and the Annual Report for 2016-2017 will also be available on the Bank's website www.lvbank.com for their download. The physical copies of the aforesaid documents will also be available at the Bank's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by free of cost. For any communication, the shareholders may also send requests to the Bank's investors grievance email id: **investorsgrievances@lvbank.in**.

16. **Voting through electronic means:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended read with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank is pleased to provide members holding shares in physical or dematerialized form, facility to exercise their right to vote at the 90th Annual General Meeting (AGM) by electronic means through 'Remote e-Voting' services provided by Central Depository Services Limited (CDSL).

The "cut-off date" for the "Remote e-Voting" is Tuesday, 11.07.2017. The instructions for e-voting are given at the end of this notice. Consequently, as per the applicable statutory provisions, voting by show of hands will not be available to the shareholders at the 90th Annual General Meeting.

17. **Voting through Postal Ballot**:

The bank is also providing the facility of ballot form to those shareholders, who do not have access to e-Voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice. The Ballot form along with the postage prepaid envelope and the instructions are enclosed along with the Annual Report. The last date for receiving the ballot form will be 17.07.2017 at 5.00 p.m. Ballot forms received after this date shall not be considered.

The Shareholders may opt only for one mode of voting i.e., either by Postal Ballot or through e-Voting. In case of shareholders casting their vote by both postal ballot and e-voting, then only the votes cast through e-Voting shall prevail and the votes cast through postal ballot shall be treated as invalid.

18. In Compliance with the Companies (Management and Administration) Amendment Rules, 2015, the Bank is pleased to offer the facility for voting through physical ballot at the AGM. The Shareholders, who are eligible to vote as on the "cut-off" date being Tuesday, 11.07.2017, but have not exercised their right to vote either through e-Voting or through postal ballot shall cast their votes at the AGM through Physical Ballots for all the resolutions set out in the Notice. Shareholders who have exercised their right to vote either through e-voting or through postal ballot may attend the AGM but shall not vote at the AGM.

19. By virtue of clause 127 (2) of the Articles of Association of the bank, no suit or other proceeding by or at the instance of any Member of the Bank relating to any General Meeting of the Bank, whether Annual General Meeting or Extraordinary General Meeting or meetings of Board or Committee of Directors, seeking any direction with reference to such meeting or to restrain any proceedings thereat or the passing of any resolution or the transaction of any business shall be instituted in any Court other than the Courts in Karur / Chennai which is the places of residence of the Bank for this purpose by reason of location of its Registered Office / Corporate Office.

20. The bank's shares are traded in demat form in the stock exchanges NSE & BSE. For your own safety and other benefits in demat form, the shareholders holding shares in physical form are requested to dematerialize their shares and get the benefits by holding the shares in demat form.

Additional information pursuant to Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director seeking re-election.

Item No. 3

Re-appointment of Shri N. Malayalaramamirtham, Director:

Shri N. Malayalaramamirtham, aged 68 years, is one of the promoter directors of the Bank. He is a Non-Independent and Non-Executive Director. In this present tenure, he has been associated with the Bank since 07.03.2014. Earlier, he had been a Director of the Bank from 28.09.1983 to 26.06.1990 and from 26.03.1998 to 18.03.2006. He holds a Bachelor's degree in Commerce.

He is the Managing Partner of M/s.Venkateswara Exports, Karur and Partner of M/s. KVN Finance. He has more than 38 years of experience in Textile business and has travelled abroad to USA, Europe and Asia and participated in International Fairs and Buyer Seller Meets for Business Promotion.

As on March 31, 2017, Shri N. Malayalaramamirtham was a member of Stakeholders Relationship Committee, Management Committee and Fraud Monitoring Committee & Review Committee on Non-Cooperative Borrowers.

Shri N. Malayalaramamirtham does not hold any directorship in any other Company as on 31.03.2017.

Being a Non-Executive and Non-Independent Director, Shri N. Malayalaramamirtham does not draw any remuneration from the Bank apart from the sitting fees paid for attending the Board / Board Committee meetings.

The details of his Board/Board committee meeting attendance during the year 2016-17 are as follows:

No of Board Meetings entitled to attend	No of Board Meetings attended	Percentage of attendance	No of Committee Meetings entitled to attend	No of Committee Meetings attended	Percentage of attendance
13	13	100	29	29	100

Shri N.Malayalaramamirtham holds 81,628 equity shares in the bank as on 31.03.2017. He is not related to any other directors in the Bank and none of the directors and Key Managerial Personnel and their relatives other than Shri N. Malayalaramamirtham is concerned or interested in this resolution.

Item No. 4

Note on appointment of Statutory Central Auditors:

M/s. R.K. Kumar & Co, Chartered Accountants, Chennai was appointed as the Statutory Central Auditors by the Members at the 89th Annual General Meeting held on 10.06.2016 to hold office from the conclusion of the 89th Annual General Meeting till conclusion of the 90th Annual General Meeting. In terms of Section 139 of the Companies Act, 2013, the approval is being sought from the members for the re-appointment of M/s. R.K. Kumar & Co, Chartered Accountants as Statutory Central Auditors for the Financial year 2017-18.

The Audit Committee of the Board and the Board of Directors have recommended the appointment of M/s. R.K. Kumar & Co, Chartered Accountants, Chennai, as the Statutory Central Auditors of the bank to audit the accounts for the financial year 2017-18 including Tax Audit and also to conduct "Limited Reviews" occurring between ensuing Annual General Meeting and Next Annual General Meeting. The Bank has requested for an approval from the Reserve Bank of India as per applicable provisions of the Banking Regulation Act, 1949.

Accordingly it is being proposed by the Board to appoint M/s. R.K. Kumar & Co, Chartered Accountants, Chennai, Firm Registration No.001595S to hold office from the conclusion of this AGM till the conclusion of next AGM as set out in Item No.4 of the Notice.

None of the Directors and Key Managerial Personnel and their relatives are in anyway concerned or interested in this resolution.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 5

In terms of Section 143(8) of the Companies Act, 2013, the Branch Offices of the Bank have to be audited either by Statutory Auditors or other qualified Auditors. Bank intends to entrust the Audit of Branch Offices either to the Statutory Auditors or to other qualified Auditors in consultation with Statutory Auditors on such remuneration and on such terms and conditions as the Board deems fit based on the recommendations of the Audit Committee of the Board.

None of the Directors of the bank and Key Managerial Personnel of the bank and their relatives is interested in this resolution.

Item No. 6

Appointment of Shri N.S. Venkatesh, Executive Director & CFO of the Bank.

The Board of Directors of the Bank at their meeting held on 01.07.2016 took on record the letter No. DBR. Appt.No. 10514/08.44.001/ 2015-16 dated 22.02.2016 received from Department of Banking Regulation, RBI, Mumbai on the appointment of Executive Director of the Bank and co-opted **Shri N.S. Venkatesh, (DIN. 01893686)** as Additional Director of the Bank and also appointed him as the Executive Director of the Bank for a period of three years from the date of his taking charge.

Pursuant to the provisions of Section 196 of the Companies Act, 2013, the appointment of the Executive Director and the terms and conditions of such appointment and remuneration payable to him as approved by the Board of Directors and the Reserve bank of India is placed before the shareholders for their approval.

Abstract of the terms and conditions of appointment as approved by the RBI is as follows:

Abstract of Terms & Conditions of Appointment

S. No.	Particulars	Amount in ₹
	Remuneration	
1.	Salary/Pay	₹ 39,00,000/- p.a. payable proportionate on a monthly basis
2.	Share/Stock Options/Performance Bonus	300000 options granted by the Compensation Committee of the Board on 20.07.2016 and the grant has been approved by RBI vide letter dated 02.03.2017. Performance Bonus: As may be approved by Board subject to RBI Approval.
	Perquisites	
1.	Free Furnished House	Free furnished residential accommodation, to the maximum extent of ₹1.60 lakhs per month.
2.	Free use of bank's car for - Official purpose & private purpose.	Bank's car with chauffeur with fuel at bank's cost.
3.	Provident Fund/Gratuity	PF - 10% on salary/pay on contributory basis. Gratuity - 1 month's salary/pay for every completed year of service - payable on completion of tenure approved by RBI.
4.	Travelling, Lodging and Halting Allowance	May be guided by RBI Circular No. BC.54/08.95.004/98 dated June 10, 1998.
5.	Medical Benefits	As per bank's Health Insurance Policy
6.	Other Benefits	a. Communicative Modes - Free Use b. Insurance Coverage ₹25 Lakh for travel by air/train/road. c. Sitting fees - Not Eligible. d. Membership in Club - Subscription to service club to the maximum of two clubs.
7.	Leave fare Concession	Once in a year to any place in India for self and family. Single return fare by the highest available class.

Shri N.S. Venkatesh, (**DIN 01893686**), age 60 is a Banking Professional and has a Banking career spanning more than 3 decades with two decades in Treasury and International Banking. He served as Executive Director & Chief Financial Officer of the Industrial Development Bank of India. He has set up the Credit Risk Management group in IDBI Bank. He led the transformation team of the erstwhile Industrial Development Bank of India into a full-fledged commercial bank. He was responsible for the successful merger of erstwhile IDBI Bank (commercial banking arm of IDBI) and takeover of erstwhile United Western Bank into IDBI Bank within a short span of 2 years. He has been instrumental in setting up the first overseas branch of IDBI in DIFC Dubai and acted as its CEO. He also played a big role in setting up of Stressed Assets Stabilization Fund of ₹9,000 Crore (USD 1.50 Billion), the first of its kind fund in India for resolution of NPAs. As Head of International Banking he has played a big role in raising resources through various currencies and tapped various markets like the Dim Sum (CNH), Singapore Dollar and Swiss Franc (CHF) etc. His qualifications are B.Sc., CAIIB., Diploma in Management., Diploma in Financial Services., & ACA.

As on March 31, 2017, Shri N.S. Venkatesh, being the Executive Director and also the Chief Financial Officer of the Bank was a member of the Audit Committee, Risk Management Committee, Fraud Monitoring Committee and Review Committee on Non Cooperative Borrowers, Customer Service Committee, Management Committee, IT Strategy Committee, HR Committee, Corporate Social Responsibility Committee and Committee of Directors for Capital Raising.

Shri N.S. Venkatesh is not related to any of the directors and Key Managerial Personnel of the bank and none of the directors of the bank and Key Managerial Personnel of the bank and their relatives are interested or concerned except Shri N.S. Venkatesh as it relates to him.

Being an Executive Director, Shri N.S. Venkatesh draws remuneration based on the terms of appointment approved by RBI as mentioned above.

Shri N.S. Venkatesh does not hold any directorship in any other Listed Company as on 31.03.2017 and the details of his directorships held in other companies is as follows:

1. M/s. Clearcorp Dealing Systems (India) Limited (subsidiary of Clearing Corporation of India Limited)

   He does not chair any committees in the above company.

   Shri N.S.Venkatesh does not hold any equity shares in the bank as on 31.03.2017.

The details of his Board/Board committee meeting attendance during the year 2016-17 are as follows:

No of Board Meetings entitled to attend	No of Board Meetings attended	Percentage of attendance	No of Committee Meetings entitled to attend	No of Committee Meetings attended	Percentage of attendance
9	9	100	46	41	89.13

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 7

Appointment of Shri B.K. Manjunath, Non-Executive Chairman of the Bank.

The Board of Directors of the Bank at their meeting held on 06.06.2017 took on record the letter No. DBR. Appt.No. 4061/08.44.001/ 2016-17 dated 05.10.2016 received from Department of Banking Regulation, RBI, Mumbai on the appointment of Part-time Chairman of the Bank and co-opted **Shri B.K. Manjunath, (DIN 00319891)** as Additional Director of the Bank in Independent Category and also appointed him as the Part Time Non-Executive Chairman of the Bank for a period of three years from the date of his taking charge.

Pursuant to the provisions of the Companies Act, 2013, the appointment of the Chairman and the terms and conditions of such appointment and remuneration payable to him as approved by the Board of Directors and the Reserve bank of India is placed before the shareholders for their approval.

Abstract of the terms and conditions of appointment as approved by the RBI is as follows:

Abstract of Terms & Conditions of Appointment

S. No.	Particulars	Amount in ₹
	Remuneration	
1.	Honorarium	₹ 12.00 Lakh p.a
2.	Other Allowances (DA, House Rent, Conveyance entertainment, etc)	Not Applicable
	Perquisite	
1.	Free Furnished House	Not Applicable
2.	Free use of bank's car for official purpose	Bank's car with chauffer, fuel at Bank's cost
3.	Provident Fund / Gratuity / Pension	Not Applicable
4.	Travelling & Halting Allowance	Travel - A single return fare by Train in AC I class or business class / I Class by Air. Stay - In business class Hotel. Halting Allowance - As applicable to Whole Time Director
5.	Medical benefits	As per actuals
6.	Other benefits	
	Communicative Modes	Free use
	Sitting Fees	He will be paid sitting fees for attending Board Meetings and other Committee Meetings of the Board as applicable to other Non-Executive Directors of the bank
	Bonus	Not applicable
	Club membership	Any two business club
7.	Leave Fare Concession	Not Applicable

Shri B.K. Manjunath, age 57 is a Practicing Chartered Accountant by profession. He has more than 25 years of experience in the fields of Audit, Accountancy, Taxation, Finance etc. He also has experience in the fields of Business Management and Administration. Earlier, he had been an Independent Director of the Bank from 14.08.2008 to 13.01.2015.

Being inducted into the Board after the end of the relevant FY, the disclosure of membership in any committees of the Board and attendance particulars as on March 31, 2017 does not arise.

Shri B.K. Manjunath is not related to any of the directors and Key Managerial Personnel of the bank and none of the directors of the bank and Key Managerial Personnel of the bank and their relatives are interested or concerned except Shri B.K. Manjunath as it relates to him.

Shri B.K. Manjunath does not hold any directorship in any other Listed Company as on 31.03.2017. However he holds directorship in the following entities.

1. M/s. South Star Distilleries & Breweries Pvt Ltd.
2. M/s. Bhramaputra Power Pvt Ltd.

He does not chair any committees in the above companies.

As on 31.03.2017 he holds 1,59,616 equity shares in the bank.

Shri B.K. Manjunath draws honorarium & sitting fees based on the terms of appointment approved by RBI as mentioned above.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 8

Smt. Anuradha Pradeep, (DIN. 00291763), age 50 is one of the promoter directors of the Bank. She is a Non-Independent and Non-Executive Director. In this tenure, she has been associated with the Bank since 21.03.2017. Smt. Anuradha Pradeep is an Independent Legal practitioner by profession practicing in the High Court of Karnataka for the past 25 years. She also appears as an arguing counsel before Supreme Court and High Courts at Bangalore, Bombay, Madras. Her areas of expertise include Civil Law, Criminal Law, Taxation, Constitutional Law, Mining Law, Arbitration, Intellectual property, Service Law, Labour Laws, Industrial Laws, Company Laws, Consumer Law, Negotiable Instruments Act etc. Being inducted into the Board in the later part of the relevant FY, as on March 31, 2017, she was not a member of any committees of the Board and therefore was not entitled to attend any Board/Committee meetings.

Smt. Anuradha Pradeep does not hold any directorship in any other Listed Company as on 31.03.2017. The details pertaining to the directorships held by her in other Companies are as follows:

Sl. No.	Name of Company	Name of Committee
1	M/s. Pranava Electronics Pvt Ltd	CSR committee-Member
2	M/s. Kare Electronics and Development Pvt Ltd.,	CSR committee-Member
3	M/s. Kare Investments Pvt Ltd.,	Not a member in any Committees

She does not chair any Committees in the above companies.

Smt. Anuradha Pradeep holds 6,216 equity shares in the bank as on 31.03.2017.

Being a Non-Executive and Non-Independent Director, Smt. Anuradha Pradeep does not draw any remuneration from the Bank apart from the sitting fees paid for attending the Board/Board Committee meetings.

In the opinion of the Board, associating with Smt. Anuradha Pradeep would be of immense benefit to the Bank and it is desirable to continue to avail services of Smt. Anuradha Pradeep as a Non-Executive and Non-Independent Director liable to retire by rotation. Accordingly, the Board recommends the resolution in relation to appointment of Smt. Anuradha Pradeep as Non-Independent Director, for the approval by the shareholders of the Bank as an Ordinary Resolution.

She is not related to any other directors in the Bank and none of the directors and Key Managerial Personnel and their relatives other than Smt. Anuradha Pradeep is concerned or interested in this resolution.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 9

Shri Y. N. Lakshminarayana Murthy, (DIN. 07534836), age 64 was appointed as an Additional Director in Independent Category on 10.06.2016. He has been appointed as Director specializing in Agriculture and Rural Economy as per the provisions of the Banking Regulation Act, 1949. He is a Ph.D., holder in Soil Science and Agricultural Chemistry with a career spanning about 41 years in various positions in the University of Agricultural Sciences, Bangalore. He also had the distinction of serving as a member of the Technical Assessment Committee of Central Tobacco Research Institute, Rajhamundry, AP for a period of two years from 2011. Being a distinguished academician, he has contributed to the farming community, by implementing several projects sponsored by Govt. of Karnataka, ICAR, Central institutions besides publishing research papers, popular articles and booklets.

As on March 31, 2017, Shri Y. N. Lakshminarayana Murthy was a member of the Fraud Monitoring Committee and Review Committee on Non-Cooperative Borrowers, Customer Service Committee and Nomination, Remuneration &Compensation Committee of the Board.

Shri Y. N. Lakshminarayana Murthy does not hold any directorship in any other Companies as on 31.03.2017 and he does not hold any equity shares in the bank as on 31.03.2017.

Being a Non-Executive and Independent Director, Shri Y. N. Lakshminarayana Murthy does not draw any remuneration from the Bank apart from the sitting fees paid for attending the Board/Board Committee meetings.

The details of his Board / Board committee meeting attendance during the year 2016-17 are as follows:

No of Board Meetings entitled to attend	No of Board Meetings attended	Percentage of attendance	No of Committee Meetings entitled to attend	No of Committee Meetings attended	Percentage of attendance
10	6	60	11	7	63.64

In the opinion of the Board, Shri Y. N. Lakshminarayana Murthy fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the bank and is independent of the management. Being a specialist in the field of agriculture and holder of a Doctorate in Soil Science and Agricultural Chemistry, his contributions towards discussions pertaining to priority sector lending, business in agri. centric areas, etc were considered to be extremely useful by the other members of the Board. The Board considers that his association would be of immense benefit to the Bank and it is desirable to avail services of Shri Y. N. Lakshminarayana Murthy as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Y. N. Lakshminarayana Murthy as an Independent Director, for the approval by the shareholders of the Bank as an Ordinary Resolution.

He is not related to any other directors in the Bank and except Shri Y. N. Lakshminarayana Murthy being an appointee, none of the Directors and Key Managerial Personnel of the bank and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.9. This Explanatory Statement may also be regarded as a disclosure under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 10

Shri Kusuma R Muniraju, (DIN. 02111974), age 68 was appointed as an Additional Director in Independent Category on 01.07.2016. He has been appointed as Director specializing in law as per the provisions of the Banking Regulation Act, 1949. He is an Advocate practicing Civil Law in the High Court of Karnataka with about 45 years of standing. Prior to this appointment as Independent Director he had 2 stint of association with the bank as Director from 1990 to 1998 and from 2008 to 2013.

As on March 31, 2017, Shri Kusuma R Muniraju was a member of the Audit Committee, Fraud Monitoring Committee and Review Committee on Non-Cooperative Borrowers, HR Committee and Willful Defaulters Grievances Redressal Committee of the Board. He was also the Chairman of the Nomination, Remuneration & Compensation Committee of the Board.

Being a Non-Executive and Independent Director, Shri Kusuma R Muniraju does not draw any remuneration from the Bank apart from the sitting fees paid for attending the Board/Board Committee meetings.

Shri Kusuma R Muniraju does not hold any directorship in any other Listed Company as on 31.03.2017. However he holds directorship in M/s. Kanya Investments Private Limited, where he is neither a member nor a Chairman in any committees in the Company.

He holds 4,32,583 equity shares in the bank as on 31.03.2017.

In the opinion of the Board, Shri Kusuma R Muniraju fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the bank and is independent of the management. Considering his immense legal knowledge spanning over four decades, the Board considers that his association would be of immense benefit to the

Bank and it is desirable to avail services of Shri Kusuma R Muniraju as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Kusuma R Muniraju as an Independent Director, for the approval by the shareholders of the Bank as an Ordinary Resolution.

The details of his Board / Board committee meeting attendance during the year 2016-17 are as follows:

No of Board Meetings entitled to attend	No of Board Meetings attended	Percentage of attendance	No of Committee Meetings entitled to attend	No of Committee Meetings attended	Percentage of attendance
9	7	77.78	20	17	85

He is not related to any other directors in the Bank and except Shri Kusuma R Muniraju being an appointee, none of the Directors and Key Managerial Personnel of the bank and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.10. This Explanatory Statement may also be regarded as a disclosure under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 11

Shri Hemant Kaul, (DIN. 00551588), age 61 was appointed as the Additional Director in Independent Category on 26.04.2017. He has been appointed as Director specializing in Banking as per the provisions of the Banking Regulation Act, 1949. He has around 40 years of experience in the field of Banking. Shri Hemant Kaul served as an Executive Director (non-board member) at Axis Bank. He was part of the initial team that set up UTI Bank in 1994. He was the Managing Director & CEO of Bajaj Allianz General Insurance Co. Ltd from December 2009 till April 2012. During his tenure, Bloomberg twice recognized Bajaj Allianz as the General Insurer of the year. Presently, he is an independent management consultant. He holds a Bachelor's Degree in Science &also an MBA.

Since Shri Hemant Kaul was appointed after the end of the financial year 31.03.2017, disclosure with respect to his committee memberships& attendance is not applicable.

Being a Non-Executive and Independent Director, Shri Hemant Kaul does not draw any remuneration from the Bank apart from the sitting fees paid for attending the Board / Board Committee meetings.

The details pertaining to the directorships held by Shri Hemant Kaul in other Companies is as follows:

Sl. No.	Name of Company	Name of Committee
1.	M/s. Transcorp International Limited. (Listed)	• Audit Committee - Member
		• Stakeholders Relationship Committee - Member
		• Nomination and Remuneration Committee - Member
2.	M/s. TCI Finance Limited. (Listed)	• Audit Committee - Member
		• Nomination and Remuneration Committee - Member
3.	M/s. Ashiana Housing Limited. (Listed)	• Audit Committee - Chairman
4.	M/s. Aspire Home Finance Corporation Limited (Unlisted)	• Audit Committee - Member
5.	M/s. Social worth Technologies Private Limited.	Not a member in any Committees
6.	M/s. Medinfi Healthcare Private Limited.	
7.	M/s. EGIS Healthcare Services Private Limited.	
8.	M/s. Ashish Securities Private Limited.	

He does not hold any equity shares in the bank.

In the opinion of the Board, Shri Hemant Kaul fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the bank and is independent of the management. The Board considers that his immense knowledge of banking would be of immense benefit to the Bank and it is desirable to avail services of Shri Hemant Kaul as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Hemant Kaul as an Independent Director, for the approval by the shareholders of the Bank as an Ordinary Resolution.

He is not related to any other directors in the Bank and except Shri Hemant Kaul being an appointee, none of the Directors and Key Managerial Personnel of the bank and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.11. This Explanatory Statement may also be regarded as a disclosure under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 12

The Bank intends to raise funds for augmenting Tier I capital in line with growth in our Business, expanding business requirements by issue of securities in the domestic / international markets. The proposed resolution at Item no.12 seeks the enabling authorization to the Board of Directors of the Bank or any of its Committees, to raise Tier I capital through the issue of Equity Shares in the domestic and/or international markets in one or more tranches, in such form, on such terms, in such manner, at such price and at such time as may be considered appropriate by the Board or any of its Committees, to the various categories of investors including by way of placement of shares to Qualified Institutional Buyers through Qualified Institutions Placement (QIP) and / or private placement in international markets through ADRs/ GDRs or foreign currency convertible bonds or otherwise. In the best interest of the Bank, the above enabling resolution is being proposed to be passed to give adequate flexibility and discretion to the Board or its Committees to finalise the terms of the issues. The Board may in their discretion adopt any one or more of the mechanisms prescribed above without the need for fresh approval from the Members of the Bank.

In case of a qualified institutional placement, the pricing of Equity Shares / Securities as may be issued to the qualified institutional buyers, pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations"), shall be not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations (QIP Floor Price) subject to applicable law, and a discount of not more than 5% (Five Percentage) or such percentage as permitted may be offered under ICDR Regulations on the QIP Floor Price and further the relevant date for pricing shall be the date of the meeting in which the Board decides to open the proposed QIP issue.

I. In case of a qualified institutional placement, the relevant date for determination of the floor price of the Equity Shares / Securities to be issued shall be In case of allotment of equity shares, the date of meeting in which the Board decides to open the proposed issue.

II. In case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

The Special Resolution also seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and / or individuals or otherwise as the Board in its absolute discretion deem fit. The detailed terms and conditions for the issue(s) / offering(s) will be determined by the Board or its committee in its sole discretion in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be necessary considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The Equity Shares allotted would be listed on one or more stock exchanges in India and in case of ADR/GDR internationally. The offer / issue / allotment would be subject to the availability of the regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap and relevant foreign exchange regulations. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges as may be required under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Section 62(1)(a) of the Companies Act, 2013 provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further Equity Shares, such further Equity Shares shall be offered to the existing Members of such company in the manner laid down therein unless the Members by way of a special resolution in a General Meeting decide otherwise. Since, the Special Resolution proposed in the business of the Notice may result in the issue of Equity Shares of the Bank to persons other than existing Members of the Bank, consent of the Members is being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the provisions of Section 62 of the Companies Act, 2013 and such other provisions as may be applicable, the above proposal requires the approval of the members by way of Special Resolution. This Special Resolution, if passed, will have the effect of allowing the Board to offer, issue and allot Equity Shares to the investors who may or may not be the existing Members of the Bank.

The Board of Directors accordingly recommends the resolution set out at Item No. 12 of this notice for the approval of members as a Special Resolution.

The directors or the Key Managerial Personnel or their relatives of the bank may be deemed to be concerned or interested in the resolution to the extent of securities that may be subscribed to by the companies / institutions of which they are directors or members.

Item No. 13

Your Bank has been borrowing funds to meet the capital adequacy norms within the limits approved by you by way of issuance of various debt securities (bonds/ debentures) as permitted by Reserve Bank of India ("RBI") and in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and other applicable laws, from time to time.

In terms of Sections 42, 71 and other applicable provisions of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules 2014, Bank can make private placement of securities subject to the condition that the proposed offer of securities or invitation to subscribe securities has been previously approved by the Members of the Bank, by a special resolution, for each of the offers or invitations / subscriptions. In case of offer or invitation for subscription of non-convertible debentures, it shall be sufficient if the Bank passes a special resolution only once in a year for all the offers or invitation for subscription of such debentures during the year.

Further, considering the attractive features of the revised guidelines issued by RBI on issue of long term bonds / Basel III Tier I / Tier II bonds and the fact that these bonds will also assist the Bank in reducing asset-liability mismatches, the Board of Directors has proposed to obtain the consent of the Members of the Bank for borrowing/ raising funds in Indian / foreign currency by issue of debt securities pursuant to the relevant provisions of the applicable circulars or guidelines issued by RBI, upto ₹ 250 Crores (Rupees Two Hundred and Fifty Crores Only), secured or unsecured, listed or unlisted, in one or more tranches in domestic and /or overseas market, as per the structure permitted by RBI and other regulatory authorities, to eligible investors on private placement basis, on such terms and conditions as the Board of Directors or any Committee(s) thereof or such other persons as may be authorized by the Board, from time to time, determine and consider proper and appropriate for the Bank. The Resolution under Section 42 of Companies Act, 2013 shall be valid for a period of one year from the date of passing of this resolution.

The pricing of the debt securities referred above depends primarily upon the rates prevailing for risk free instruments, rates on other competing instruments of similar rating and tenor in the domestic or overseas markets, investor appetite for such instruments and investor regulations which enable investments in such instruments. Further, debt securities would be issued for cash either at par or premium or at discount to the face value depending upon the prevailing market conditions, as permitted under the Laws.

Accordingly, the approval of Members is being sought by way of Special Resolution as set out at in Item No. 13 of this Notice.

The directors or the Key Managerial Personnel or their relatives of the bank may be deemed to be concerned or interested in the resolution to the extent of securities that may be subscribed by them or the companies/institutions of which they are directors or members.

Item No. 14

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives. Your Bank believes in rewarding its employees including Directors of the Bank along with employees of the subsidiaries for their continuous hard work, dedication and support, which has led the Bank on the growth path. The Bank intends to implement Employee Stock Option scheme with a view to attract and retain key talents working with the Bank by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

With this objective in mind, your Bank intends to implement LVB Employee Stock Option Scheme 2017 ("ESOS 2017") for the permanent employees of the Bank or its Subsidiary Companies (jointly/ severally hereinafter referred to as "Bank") including Directors of the Bank, whether whole time or otherwise, (other than Promoters of the Bank, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Bank) ("Eligible Employees").

The Bank seeks members' approval in respect of ESOS 2017 and grant of Stock Options to the Eligible Employees as decided in this behalf from time to time in due compliance of the Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations").

The main features of the ESOS 2017 are as under:

a) Brief description of the scheme:

The Bank proposes to introduce the ESOS 2017 primarily with a view to attract, retain, incentivise and motivate the Eligible Employees that would lead to higher corporate growth. The ESOS 2017 contemplates grant of options to the Eligible Employees, as may be determined in due compliance of SEBI SBEB Regulations and provisions of the ESOS 2017. After vesting of options, the Eligible Employees earn a right (but not obligation) to exercise the vested options within the exercised period and obtain equity shares of the Bank subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Nomination, Remuneration and Compensation Committee ("Committee") of the Bank shall administer ESOS 2017. All questions of interpretation of the ESOS 2017 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in ESOS 2017.

b) Total number of Options to be granted:

A total number of options 50,00,000 (Fifty lakhs only) exercisable into 50,00,000 (Fifty lakhs only) Equity Shares would be available for being granted to Eligible Employees under ESOS 2017. Each option when exercised would be converted into one Equity share of ₹ 10/- each fully paid-up.

Options lapsed or cancelled due to any reason including the reason of lapse of exercise period or due to resignation of the employees / Directors or otherwise, would be available for being re-granted at a future date. The Committee is authorized to re-grant such lapsed / cancelled options as per the ESOS 2017.

Further, SEBI Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under ESOS 2017 remain the same after any such corporate action. Accordingly, if any additional options are issued by the Bank to the option grantees for making such fair and reasonable adjustment, the ceiling of 50,00,000 (Fifty lakhs only) shall be deemed to be increased to the extent of such additional options issued.

c) Identification of classes of employees entitled to participate in ESOS 2017

All permanent employees of the Bank, including the Directors but excluding -

a. Independent Directors,

b. promoters or persons belonging to promoter group,

c. director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Bank.

d) Requirements of vesting and period of vesting

All the options granted on any date shall vest not earlier than 1 (One) year and not later than a maximum of 3 (Three) years from the date of grant of options as may be determined by the Committee.

Options shall vest essentially based on continuation of employment and apart from that the vesting will be subject to Individual performance parameters as the Committee may specify additionally.

e) Maximum period within which the options shall be vested:

All the options granted on any date shall vest not later than a maximum of 3 (Three) years from the date of grant of options as may be determined by the Committee.

f) Exercise price or pricing formula:

The exercise price shall be the market price of the shares discounted by such percentage not exceeding 50% as determined by the Committee in the best interest of various stakeholders in the prevailing market conditions.

g) Exercise period and the process of Exercise:

The Exercise period would commence from the date of vesting and will expire on completion of 5 (Five) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.

The vested Option shall be exercisable by the employees by a written application to the Bank expressing their desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

h) Appraisal process for determining the eligibility of employees under ESOS 2017:

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Bank, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc.

i) Maximum number of Options to be issued per employee and in aggregate:

The number of options that may be granted to any specific employee of the Bank under the ESOS 2017, in any financial year and in aggregate under the ESOS 2017 shall not exceed 15,00,000 (Fifteen lakhs only) Options.

j) Maximum quantum of benefits to be provided per employee under the ESOS 2017:

The maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the market price of the shares as on the date of exercise of options.

k) Route of ESOS 2017 implementation:

The ESOS 2017 shall be implemented and administered directly by the Bank. In case Bank wishes otherwise, it may be intimated to the members in due course as per applicable laws.

l) Source of acquisition of shares under the ESOS 2017:

The ESOS 2017 contemplates fresh/new issue of shares by the Bank.

m) Amount of loan to be provided for implementation of the scheme(s) by the Bank to the trust, its tenure, utilization, repayment terms, etc:

This is currently not contemplated under the present ESOS 2017.

n) Maximum percentage of secondary acquisition:

This is not relevant under the present ESOS 2017.

o) Accounting and Disclosure Policies:

The Bank shall follow the IND AS/Guidance Note on Accounting for Employee Share-based Payments and/or any relevant Accounting Standards as may be prescribed by the competent authorities from time to time, including the disclosure requirements prescribed therein.

p) Method of option valuation:

The Bank shall adopt 'intrinsic value method' or such other method as may be notified for valuation Options as prescribed under Guidance Note or under any relevant accounting standard notified by appropriate authorities from time to time.

q) Declaration:

In case the Bank opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on Earning Per Share ("EPS") of the Bank shall also be disclosed in the Directors' report.

Consent of the members is being sought by way of Special Resolution pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations.

A draft copy of the ESOS 2017 is available for inspection at the Bank's Corporate Office on all working days (excluding Saturday, Sunday and Holidays) till the date of the Annual General Meeting. None of the Directors, Key Managerial Personnel of the Bank including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under the ESOS 2017.

In light of above, you are requested to accord your approval to the Special Resolution.

BY ORDER OF THE BOARD
For THE LAKSHMI VILAS BANK LIMITED

Place : Chennai
Date : 06.06.2017

N. RAMANATHAN
Company Secretary
ACS No. 28366

E – Voting

Dear Shareholders,

In terms of Sections 107 and 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Companies (Management and Administration) Amendment Rules 2015, the Bank is providing the e-Voting facility to its members holding shares in physical or dematerialized form as on 11.07.2017, to exercise their right to vote by electronic means on any or all of the business specified in the accompanying notice. The Bank has appointed Mr. K. Muthusamy, Practicing Company Secretary (CP No. 3176) as the scrutinizer for conducting the e-Voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of e-Voting period unblock the votes in the presence of atleast two witnesses not in the employment of the Bank and make a scrutinizer's report of the votes cast in favour or against, if any forthwith to the Chairman. The results shall be declared on or after the AGM of the Bank. The results declared along with the Srutinizer's Report shall be available on the Bank's website within two (2) days of passing of the resolution at the AGM of the Bank and communicated to the Stock Exchange/s.

The Bank has engaged the services of CDSL as the authorized agency to provide the e-Voting facilities.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 15.07.2017 at 10.00 AM and ends on 17.07.2017 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 11.07.2017 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-Voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

  a. For CDSL: 16 digits beneficiary ID,

  b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

  c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non - Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

LAKSHMI VILAS BANK

THE LAKSHMI VILAS BANK LIMITED

CIN L65110TN1926PLC001377

Registered Office: Salem Road, Kathaparai, Karur - 639 006.
Corporate Office: "LVB House", No. 4, Sardar Patel Road, Guindy, Chennai - 600 032.
Website: www.lvbank.com, Tel No.: 044-22205306, Email: secretarial@lvbank.in

POSTAL BALLOT FORM

1	Name of Sole / First Member	
2	Name(s) of Joint Member(s), if any	
3	Registered Folio No. / DPID No. & Client ID No.	
4	No. of Shares held	

I/We hereby exercise our right to vote in respect of the Resolution(s) for the business stated in the AGM Notice dated 06.06.2017 of the Bank by conveying my/our assent or dissent to the said resolution(s) by placing the tick (✓) mark at the appropriate box below:

Item No.	Description of the Resolution	Type of resolution (Ordinary / Special)	No. of Shares	I / We assent to the resolution (FOR)	I / We dissent from the resolution (AGAINST)
1.	Adoption of audited financial statements of the bank for the year ended 31st March 2017 and the Report of the Directors' and the Auditors' thereon.	Ordinary			
2.	Declaration of Dividend on equity shares.	Ordinary			
3.	Appointment of Director in place of Shri N. Malayalaramamirtham who retires by rotation and being eligible, offers himself for re-appointment	Ordinary			
4.	Appointment of Statutory Auditors.	Ordinary			
5.	Appointment of Branch Auditors.	Ordinary			
6.	Appointment of Shri N.S. Venkatesh as Executive Director of the Bank.	Ordinary			
7.	Appointment of Shri B.K.Manjunath as Non-Executive Chairman of the Bank.	Ordinary			
8.	Appointment of Smt. Anuradha Pradeep as Director of the Bank, liable to retire by rotation.	Ordinary			
9.	Appointment of Shri Y. N. Lakshminarayana Murthy as an Independent Director of the Bank.	Ordinary			
10.	Appointment of Shri Kusuma R Muniraju as an Independent Director of the Bank.	Ordinary			
11.	Appointment of Shri Hemant Kaul as an Independent Director of the Bank.	Ordinary			
12.	Raising of capital through QIP, GDR, ADR etc.	Special			
13.	Approval for borrowing / raising funds in Indian / foreign currency by issue of debt securities upto ₹ 250.00 crores to eligible investors on private placement basis.	Special			
14.	ESOP 2017 scheme approval	Special			

Place :

Date :

(Signature of Member/s)

Note : Kindly read the instructions printed overleaf before filling the form.
Last date for receipt of postal ballot forms by Scrutinizer is Monday, the 17th July, 2017 not later than 5.00 P.M.

POSTAL BALLOT INSTRUCTION

1. The Bank is providing the facility of postal ballot, to enable those shareholders, who do not have access to e-Voting facility, to send their assent or dissent in writing through postal ballot as per the provisions of the Companies (Management and Administration) Rules, 2014 and amendments made thereto. Accordingly, this Postal Ballot Form is being provided to facilitate e-Voting provided under Section 108 of the Companies Act, 2013.

2. A member desiring to exercise his/her vote by Postal Ballot Form should complete this Postal Ballot Form and send the duly signed Form through the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer as per instruction below at the address Mr. K. Muthusamy (Scrutinizer), C/o. M/s Integrated Registry Management Services Private Limited, II floor, "Kences Towers" No.1 Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017. Postage will be borne and paid by the Bank. Envelopes containing Postal Ballots, deposited in person or sent by courier at the expense of the Members will also be accepted.

3. The self-addressed envelope bears the name of the Scrutinizer appointed by the Board of the Bank and the address at which the Postal Ballot Form is to be sent.

4. The Postal Ballot form should be completed and signed by the Members. In the case of joint shareholding, this form should be completed and signed by the first named Member and in his absence; by the next named Member. Unsigned Postal Ballot forms will be rejected. The signature on the Postal Ballot Form must tally with the specimen signature registered with the Bank.

5. For the votes to be considered valid, the institutional shareholders (i.e., other than individuals, HUF, NRIs etc.) are required to send certified copy of the relevant authorization/ board resolution along with the Postal Ballot Form. A member may sign the Form through an Attorney appointed specifically for this purpose, in which case, an attested true copy of the Power of Attorney should be attached to the Postal Ballot Form.

6. Duly completed Postal Ballot Forms should reach the Scrutinizer not later than 05.00 P.M., on 17th July, 2017. Any Postal Ballot Form received after this time and date will be treated as if the reply from the Member has not been received.

7. A member may request for a duplicate Postal Ballot Form, if so required. However the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the time and date specified at Sl No. 6 above.

8. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Member on 11.07.2017, which is the cutoff date fixed for this purpose.

9. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extra paper found in such envelope would be destroyed by the Scrutinizer.

10. There will be one Postal Ballot Form for every folio irrespective of the number of joint member(s).

11. A member need not use all the votes nor does he need to cast all the votes in the same way.

12. The Scrutinizer's decision on the validity of a Postal Ballot will be final and binding.

13. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.

14. The date of AGM will be the deemed date of passing resolution(s) through e-Voting/Postal ballot. It may also be noted that, in terms of Section 114 of the Companies Act, 2013, the resolutions contained in the AGM Notice will be deemed to have been passed through the e-voting and ballot. The results shall be declared in terms of Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, as the case may be.

15. The right of e-Voting and Postal Ballot Form shall not be exercised by a Proxy.

16. Members may please note that they have to vote through any one of the modes viz., E-voting, Postal Ballot or voting at the AGM Venue. Members who have already voted prior to the meeting date would not be entitled to vote at the AGM venue.

LAKSHMI VILAS BANK

THE LAKSHMI VILAS BANK LIMITED

CIN L65110TN1926PLC001377

Registered Office: Salem Road, Kathaparai, Karur - 639 006.

Corporate Office: "LVB House", No. 4, Sardar Patel Road, Guindy, Chennai - 600 032.

Website: www.lvbank.com, Tel No.: 044-22205306, Email: secretarial@lvbank.in

Form No. MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014, as amended)

CIN	L65110TN1926PLC001377
Name of the Company	The Lakshmi Vilas Bank Limited
Registered Office	Salem Road, Kathaparai, Karur - 639 006.

Name of the member(s)	
Registered Address	
E-mail ID	
Folio No. / DP ID and Client ID	

I / We, being the member(s) of M/s. The Lakshmi Vilas Bank Limited, hereby appoint

1	Name of the member(s)		
	Address		
	E-mail ID		
	Signature		Failing him
2	Name of the member(s)		
	Address		
	E-mail ID		
	Signature		Failing him
3	Name of the member(s)		
	Address		
	E-mail ID		
	Signature		

as my / our proxy to attend and vote (on poll) for me / us and on my/our behalf at the 90th Annual General Meeting of the bank, to be held on the 18th July, 2017 at 10.00 A.M at the Registered Office, Salem Road, Kathaparai, Karur- 639 006 and at any adjournment thereof in respect of such resolution as indicated below.

Res. No.	Resolution
1.	Adoption of audited financial statements of the bank for the year ended 31st March 2017 and the Report of the Directors' and the Auditors' thereon.
2.	Declaration of Dividend on equity shares.
3.	Appointment of Director in place of Shri N. Malayalaramamirtham who retires by rotation and being eligible, offers himself for re-appointment.
4.	Appointment of Statutory Auditors.
5.	Appointment of Branch Auditors.
6.	Appointment of Shri N.S. Venkatesh as Executive Director of the Bank.
7.	Appointment of Shri B.K.Manjunath as Non-Executive Chairman of the Bank.
8.	Appointment of Smt. Anuradha Pradeep as Director of the Bank, liable to retire by rotation.
9.	Appointment of Shri Y. N. Lakshminarayana Murthy as an Independent Director of the Bank.
10.	Appointment of Shri Kusuma R Muniraju as an Independent Director of the Bank.
11.	Appointment of Shri Hemant Kaul as an Independent Director of the Bank.
12.	Raising of capital through QIP, GDR, ADR etc.
13.	Approval for borrowing / raising funds in Indian / foreign currency by issue of debt securities upto ₹ 250.00 crores to eligible investors on private placement basis.
14.	ESOP 2017 scheme approval

Signed this..... day of ..... 2017.

Signature of Shareholder: .....

Signature of Proxy holder(s): .....

Affix ₹ 1/- Revenue Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank, not less than 48 hours before the commencement of the meeting

LAKSHMI VILAS BANK

ROUTE MAP TO THE VENUE OF THE AGM

