# LAKSHMI VILAS BANK

Secretarial Department CIN No. L65110TN1926PLC001377

Ref/Sec/205 & 266/182/2015-2016 January 22, 2016

| | |
|---|---|
| **The General Manager**<br>Department of Corporate Services<br>**National Stock Exchange of India**<br>Exchange Plaza, C-1-Block G<br>Bandra Kurla Complex, Bandra-E<br>Mumbai - 400 051 | **The General Manager**<br>Department of Corporate Services<br>**BSE Limited**<br>Listing Department<br>Phiroze Jeejeeboy Tower<br>Dalal Street,<br>Fort Mumbai - 400 001 |

Dear Sir,

**Sub: In compliance of Regulation 30 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.**

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Please find enclosed the Un-Audited Financial Results and Limited Review Report of the Bank for the Third Quarter ended 31st December 2015, approved by the Board on 22.01.2016 for your records.

Thanking You,

Yours faithfully,

THE LAKSHMI VILAS BANK LTD. Secretarial Department Corp. Office, Chennai-32.

N.Ramanathan
Company Secretary

Encl: A/a

# LAKSHMI VILAS BANK

**Corporate Office, "LVB HOUSE", No.4 Sardar Patel Road, Guindy, Chennai 600 032**
**(Regd. Office: Salem Road, Kathaparai, Karur - 639 006)**
**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED 31ST DECEMBER, 2015**

(₹ in lakhs)

| PARTICULARS | QUARTER-ENDED | | | NINE MONTHS ENDED | | YEAR ENDED |
|---|---|---|---|---|---|---|
| | 31-Dec-15 (Reviewed) | 30-Sep-15 (Reviewed) | 31-Dec-14 (Reviewed) | 31-Dec-15 (Reviewed) | 31-Dec-14 (Reviewed) | 31-Mar-15 (Audited) |
| 1. INTEREST EARNED (a+b+c+d) | 65372.34 | 63416.14 | 56200.08 | 190197.23 | 164358.72 | 221453.09 |
| (a) Interest/discount on advances/bills | 51722.88 | 50119.54 | 43244.09 | 150397.84 | 125991.15 | 170889.66 |
| (b) Income on investments | 13103.72 | 13153.01 | 11991.05 | 38869.64 | 35637.26 | 47643.09 |
| (c) Interest on balances with RBI & Other inter- bank funds | 44.52 | 62.12 | 336.69 | 261.57 | 720.34 | 823.81 |
| (d) Others | 501.22 | 81.47 | 628.25 | 668.18 | 2009.97 | 2096.53 |
| 2. Other Income | 6932.93 | 6371.91 | 7336.39 | 21201.84 | 19100.97 | 28403.36 |
| 3. Total Income (1+2) | 72305.27 | 69788.05 | 63536.47 | 211399.07 | 183459.69 | 249856.45 |
| 4. Interest expended | 48665.09 | 47385.98 | 42449.38 | 142936.34 | 125580.54 | 168787.67 |
| 5. Operating Expenses (i) + (ii) | 12840.79 | 12860.85 | 10807.53 | 37165.22 | 31583.37 | 44497.03 |
| (i) Employees cost | 6502.23 | 6148.75 | 5612.81 | 18504.89 | 16181.19 | 23035.01 |
| (ii) Other operating expenses | 6338.56 | 6712.10 | 5194.72 | 18660.33 | 15402.17 | 21462.02 |
| 6. Total Expenditure (excluding provisions and contingencies (4) + (5) | 61505.88 | 60246.83 | 53256.91 | 180101.56 | 157163.90 | 213284.70 |
| 7. Operating Profit before provisions and contingencies (3) - (6) | 10799.39 | 9541.22 | 10279.56 | 31297.51 | 26295.79 | 36571.75 |
| 8. Provisions (other than Tax) and Contingencies | 5992.12 | 3557.75 | 6124.04 | 15581.18 | 14474.38 | 18823.16 |
| 9. Exceptional Items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -1072.00 |
| 10.Profit/Loss from ordinary activities before tax (7)-(8)-(9) | 4807.27 | 5983.47 | 4155.52 | 15716.33 | 11821.41 | 18820.59 |
| 11. Tax expense | 200.00 | 1500.00 | 900.00 | 2600.00 | 2600.00 | 5592.00 |
| 12. Net Profit/Loss from Ordinary activities after tax (10) - (11) | 4607.27 | 4483.47 | 3255.52 | 13116.33 | 9221.41 | 13228.59 |
| 13. Extra Ordinary items (Net of Tax Expense) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 14. Net Profit/Loss for the period (12-13) | 4607.27 | 4483.47 | 3255.52 | 13116.33 | 9221.41 | 13228.59 |
| 15. Paid up equity share capital (Face Value ₹10/-) | 17946.16 | 17946.16 | 17892.16 | 17946.16 | 17892.16 | 17916.66 |
| 16. Reserves excluding revaluation reserves as per balance sheet of previous accounting year | 129851.93 | 129851.93 | 87961.05 | 129851.93 | 87961.05 | 129851.93 |
| 17. Analytical Ratios | | | | | | |
| i) Percentage of shares held by Govt. of India | NIL | NIL | NIL | NIL | NIL | NIL |
| ii) Capital Adequacy Ratio (%) | | | | | | |
| (a) Basel - II | 10.99 | 11.29 | 12.61 | 10.99 | 12.61 | 11.57 |
| (b) Basel - III | 10.01 | 10.26 | 12.47 | 10.01 | 12.47 | 11.34 |
| iii) Earnings Per Share (EPS)(*Not Annualised) | | | | | | |
| (a) Basic EPS - before/after extraordinary items (Not annualised) (₹) | 2.57 | 2.50 | 1.82 | 7.31 | 6.92 | 9.16 |
| (b) Diluted EPS - before/after extraordinary items (Not annualised) (₹) | 2.57 | 2.50 | 1.82 | 7.31 | 6.90 | 9.15 |
| iv) NPA RATIOS | | | | | | |
| (a) Gross NPA | 33157.31 | 33180.00 | 49085.13 | 33157.31 | 49085.13 | 45461.94 |
| Net NPA | 14387.34 | 17561.90 | 33661.16 | 14387.34 | 33661.16 | 30248.50 |
| (b) % of Gross NPA | 1.82 | 1.89 | 3.40 | 1.82 | 3.40 | 2.75 |
| % of Net NPA | 0.80 | 1.01 | 2.37 | 0.80 | 2.37 | 1.85 |
| (c) Return on Assets (%) (Annualised) | 0.70 | 0.71 | 0.59 | 0.69 | 0.57 | 0.61 |

R.K. KUMAR & CO. CHENNAI Chartered Accountants

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

# LAKSHMI VILAS BANK

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

***NOTES:***

| | |
|---|---|
| 1 | There has been no change in the accounting policies followed by the bank during the period ended December 2015 as compared to those in the preceding financial year ended March 2015. |
| 2 | The working results for the quarter ended 31st December 2015 have been arrived at after considering provision for Non Performing Assets and depreciation on Investments. Provision for Employee Benefits, Income Tax and Other usual and necessary provisions are on an estimated and proportionate basis and are subject to adjustment at the year end. |
| 3 | RBI vide its circular no.DBR.No.BP.BC.94/ 21.04.048/2014-15 dated 21.05.2015 permitted banks to provide for the net shortfall on account of sale of assets to Reconstruction Company over a period of two years. Consequently, Rs.19.43 Crore has been charged to the Profit & Loss account for the quarter ended 31st December 2015. The unamortised amount on this account as on 31st December 2015 is Rs.76.61 crore. |
| 4 | RBI vide its circular RBI/2014-15/535/DBR.No.BP.BC.83/21.04.048/2014-15 dated 01.04.2015 permitted Banks to provide for frauds over a period not exceeding four quarters. Consequently, a sum of Rs.13.38 crore has been charged to profit & Loss account for the quarter ended 31st December 2015. The balance amount to be provided as on 31st December 2015 is nil. |
| 5 | In respect of certain non-performing advances, bank has obtained dispensation from Reserve Bank of India vide DBS.CO.No.8062/15.01.067/2015-16 dated 15.01.2016 and accordingly, bank has provided Rs.2.94 crore in the current quarter and the balance provision of Rs.2.94 crore will be made during the last quarter of the financial year ending March 2016. |
| 6 | Pursuant to RBI Cir.DBR.BP.BC.No.31/21.04.018/2015-16 dated 16.07.2015 the Bank has included its deposits placed with NABARD/SIDBI/NHB on account of shortfall in priority sector targets under Schedule 11-'Other Assets'. Previously, the same has been accounted under the head 'Investments'. Interest income on these deposits has been included under 'Interest Earned-Others'. Previously, such interest income was included under 'Interest Earned - Income on Investments'. Accordingly, previous periods figures have been regrouped / reclassified to conform to current period's classification. |
| 7 | The provision coverage ratio stands at 76.49%. |
| 8 | In accordance with RBI Circular no. DBOD.BP.BC.2/21.06.201/2013-14 dt:01.07.2013, Bank has made Pillar 3 disclosures under Basel III capital requirements on its website at http://www.lvbank.com/basel_ii.aspx. |
| 9 | Status of Investor Complaints for the quarter ended 31st December 2015:<br>-Complaints pending at the beginning of the Quarter : Nil<br>-Complaints received during the Quarter : 1<br>-Complaints disposed during the Quarter: 1<br>-Complaints unresolved at the end of the Quarter: Nil |
| 10 | The above financial results have been reviewed by the Audit Committee of the Board in their meeting held on 22nd January 2016 and approved by the Board of Directors in their meeting held on 22nd January 2016 . The same have been subjected to Limited Review by the Statutory Auditors of the Bank, in line with the guidelines issued by the Reserve Bank of India and as per the requirement of listing agreement with Stock exchanges. |
| 11 | The figures of the previous periods/year have been regrouped/rearranged, wherever necessary. |

Place: Chennai
Date: 22-01-2016

D.L.N. Rao
Director

K.R. Pradeep
Chairman of the Meeting

R.K. KUMAR & CO. CHENNAI Chartered Accountants

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

# THE LAKSHMI VILAS BANK LTD

## SEGMENT REPORTING - DEC 2015

(Rs. in lakhs)

| PART A: BUSINESS SEGMENTS | QUARTER ENDED | | | NINE MONTHS ENDED | | YEAR ENDED |
|---|---|---|---|---|---|---|
| PARTICULARS | 31/12/2015 | 30/09/2015 | 31/12/2014 | 31/12/2015 | 31/12/2014 | 31/03/2015 |
| 1. SEGMENT REVENUE | (Reviewed) | (Reviewed) | (Reviewed) | (Reviewed) | (Reviewed) | (Audited) |
| a. Treasury operations | 14619.98 | 14431.97 | 14309.77 | 44506.66 | 40972.01 | 55684.21 |
| b. Corporate/wholesale banking operations | 21660.49 | 20987.77 | 18482.73 | 63026.94 | 53427.81 | 57919.69 |
| c. Retail banking operations | 35340.79 | 34243.19 | 30156.04 | 102833.44 | 87171.69 | 134321.57 |
| d. Other banking operations | 684.01 | 125.13 | 587.93 | 1032.03 | 1888.18 | 1930.98 |
| TOTAL | **72305.27** | 69788.06 | 63536.47 | 211399.07 | 183459.69 | 249856.45 |
| 2. SEGMENT RESULTS | | | | | | |
| a. Treasury operations | 2267.61 | 1923.97 | 2563.41 | 7608.48 | 5208.26 | 8429.09 |
| b. Corporate/wholesale Banking operations | 3097.96 | 2957.89 | 2730.04 | 8946.00 | 7357.24 | 8289.60 |
| c. Retail banking operations | 4814.83 | 4598.65 | 4454.28 | 13896.05 | 12003.91 | 19224.43 |
| d. Other banking operations | 618.99 | 60.71 | 531.83 | 846.98 | 1726.38 | 1700.63 |
| TOTAL | **10799.39** | 9541.22 | 10279.56 | 31297.51 | 26295.79 | 37643.75 |
| OPERATING PROFIT (including exceptional items) | **10799.39** | 9541.22 | 10279.56 | 31297.51 | 26295.79 | 37643.75 |
| PROVISIONS OTHER THAN TAX | 5992.12 | 3557.75 | 6124.04 | 15581.18 | 14474.38 | 18823.16 |
| PROFIT BEFORE TAX | **4807.27** | 5983.47 | 4155.52 | 15716.33 | 11821.41 | 18820.59 |
| Less : Tax expenses | 200.00 | 1500.00 | 900.00 | 2600.00 | 2600.00 | 5592.00 |
| NET PROFIT | **4607.27** | 4483.47 | 3255.52 | 13116.33 | 9221.41 | 13228.59 |
| | | | | | | |
| CAPITAL EMPLOYED | | | | | | |
| a. Treasury operations | 52692.89 | 54041.27 | 47602.62 | 52692.89 | 47602.62 | 46954.66 |
| b. Corporate/wholesale banking operations | 22069.45 | 17285.47 | 16779.00 | 22069.45 | 16779.00 | 21323.83 |
| c. Retail banking operations | 48856.08 | 44049.18 | 39488.23 | 48856.08 | 39488.23 | 49452.07 |
| d. Unallocated Assets | 44915.02 | 48550.25 | 51464.39 | 44915.02 | 51464.39 | 37883.70 |
| TOTAL | **168533.44** | 163926.17 | 155334.24 | 168533.44 | 155334.24 | 155614.26 |
| PART B: GEOGRAPHICAL SEGMENTS | | | | | | |
| Since the Bank is having domestic operation only, no reporting is necessary under this segment. | | | | | | |

R.K. KUMAR & CO. CHENNAI Chartered Accountants

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

# R.K. KUMAR & CO

CHARTERED ACCOUNTANTS

SECOND FLOOR, CONGRESS BUILDING, 573, MOUNT ROAD, CHENNAI – 600 006.

E-mail : rkkco@dataone.in FAX : 91-44-24349857

TEL. : 24349866, 24349867


## Independent Auditor's Review Report to the The Board of Directors of The Lakshmi Vilas Bank Ltd

1. We have reviewed the accompanying statement of unaudited financial results of **The Lakshmi Vilas Bank Limited** for the quarter ended 31st December 2015 and nine months period ended on that date ("the Statement") excluding the "Pilar 3 disclosures and leverage ratio under Basel III Capital Regulations" disclosed on the Bank's website and in respect of which a link has been provided in the Statement, being submitted by the Bank pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The preparation and fair presentation of the Statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Bank's Personnel and analytical procedures applied to financial data and thus provide less assurance than an Audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. In the conduct of our Review we have relied on the review reports received from concurrent auditors of 101 branches. These reports cover 71.75 per cent of the advances portfolio of the Bank. Apart from these reports, in the conduct of our review, we have also relied upon various returns received from the branches of the bank.



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4. Without qualifying our report, we draw attention to (i) Note No.3 of the unaudited financial statements regarding deferment of loss to the extent of Rs.76.61 Crore on sale of advances to Asset Reconstruction Companies and (ii) Note No.5 of the unaudited financial statement regarding deferment of provision for Non Performing advances of Rs.2.94 Crore based on dispensation obtained from Reserve Bank of India.

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

**Place: Chennai**

**Date: 22nd January, 2016**

**For R.K.Kumar & Co.**
**Chartered Accountants**
**Firm Regn.No.001595S**

R.K.KUMAR & CO. CHENNAI Chartered Accountants

**(B.R.Ashok)**
**Partner**
**Membership No.023313**