



LAKSHMI VILAS BANK

Secretarial Department

CIN: L65110TN1926PLC001377

Ref/Sec/205 & 266/70/2019-2020

May 28, 2019

The National Stock Exchange of India Limited Listing Department Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. Company symbol: LAKSHVILAS	BSE Limited Department of Corporate Services, Floor 25, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001. Security code no: 534690
---	---

Dear Sir,

Sub: Submission of statement on impact of Audit Qualifications for the financial year ended 31.03.2019.

Please find enclosed herewith the "Statement of impact of Audit qualifications (for Audit Report with modified Opinion)" as per the format specified by SEBI vide Circular CIR/CFD/CMD/56/2016 dated May 27, 2016 for the year ended 31.03.2019.

This is for your information and records.

Thanking You,

Yours faithfully,

N Ramanathan

Company Secretary



Encl: A/a

P. CHANDRASEKAR LLP

Chartered Accountants

Independent Auditor's Report on Standalone Financial Results of the Bank pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**The Board of Directors
The Lakshmi Vilas Bank Limited**

1. We have audited the financial results ("the Statement") of **The Lakshmi Vilas Bank Limited** ("the Bank") for the year ended 31st March 2019, prepared by the Bank pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has been initialed by us for identification purposes. The disclosures relating to "Pillar 3 under Basel III Capital Regulations", "Leverage Ratio" and "Liquidity Coverage Ratio" as disclosed on the Bank's website in respect of which a link has been provided in the financial results have neither been reviewed nor audited by us.
2. This Statement is the responsibility of the Bank's Management ("the Management") and has been approved by the Board of Directors in their meeting held on 28th May 2019. It has been prepared in accordance with the accounting principles generally accepted in India, including Accounting Standards ("AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder in so far as they apply to Banking Companies, provisions of Section 29 of the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India from time to time and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the financial results based on our audit of the financial statements for the year ended 31st March 2019 and our review of the financial results for the 9-month period ended 31st December 2018.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the Management. We believe that our audit provides a reasonable basis for our opinion.
4. These financial statements incorporate the relevant returns of 9 branches audited by us, 560 branches audited by statutory branch auditors. The branches audited by us and advances audited by us in the Central Office cover 41.98% of the total advance portfolio of the Bank.



Bangalore * Chennai

5. **Basis for Qualified opinion**

During the previous financial year, the Bank had adjusted loans aggregating to Rs.794 crore extended to RHC Holding Private Limited and Ranchem Private Limited against deposits of Religare Finvest Limited duly supported by Legal Opinion. The said adjustment has been contested by the Religare Finvest Limited and a suit has been filed against the Bank in May 2018 before the Honourable High Court of Delhi. The matter still remains sub-judice and hence we are unable to comment on the impact on the financial statements and legal/ regulatory consequences. The audit opinion on the financial statements for the year ended 31st March 2018 was also qualified in respect of this matter.

6. Except for the possible effects of the matter described in the "Basis for Qualified opinion" paragraph, in our opinion and to the best of our information and according to the explanations given to us, the financial results:
- (a) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular CIR/CFD/FAC/62/2016 dated 5th July 2016 in this regard;
 - (b) give a true and fair view of the net loss and other financial information in conformity with the accounting principles generally accepted in India for the year ended 31st March 2019.
7. The financial results for the quarter year ended 31st March 2019 being the balancing figure between audited figures in respect of the full financial year and the published year-to-date figures up to the nine-month period ended 31st December 2018, which were subject to limited review by us.
8. The financial results for the three-month period and year, ended 31st March 2018, included in the Statement, were audited by the predecessor auditor, M/s.R.K.Kumar & Co., Chartered Accountants, who had expressed a modified opinion on those financial results, vide audit report dated 25th May 2018. Our opinion is not modified in respect of this matter.

For P.CHANDRASEKAR LLP

Chartered Accountants

(FRN: 000580S/S200066)

Lakshmi Chandrasekaran
Partner

Membership No.: 028508

Place: Bangalore

Date: 28th May 2019



Annexure I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (In lakh)	Adjusted Figures (audited figures after adjusting for qualifications) (In lakh)
1.	Turnover / Total income	309021.18	309021.18
2.	Total Expenditure	310217.79	310217.79
3.	Net Profit/(Loss)	(89409.71)	(89409.71)
4.	Earnings Per Share (Rs.)	-34.66	-34.66
5.	Total Assets	3304616.29	3304616.29
6.	Total Liabilities	3304616.29	3304616.29
7.	Net Worth	80227.31	80227.31
8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II.

Audit Qualification (each audit qualification separately)

a. Details of Audit Qualification:

During the previous financial year, the Bank had adjusted loans aggregating to Rs.794 crore extended to RHC Holding Private Limited and Ranchem Private Limited against deposits of Religare Finvest Limited duly supported by Legal Opinion. The said adjustment has been contested by the Religare Finvest Limited and a suit has been filed against the Bank in May 2018 before the Honourable High Court of Delhi. The matter still remains sub-judice and hence we are unable to comment on the impact on the financial statements and legal/ regulatory consequences. The audit opinion on the financial statements for the year ended 31st March 2018 was also qualified in respect of this matter.

b. Type of Audit Qualification :

Qualified Opinion

c. Frequency of qualification:

Appeared for the second time:

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Not quantified

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(I) Management's estimation on the impact of audit qualification:

NIL



(ii) If management is unable to estimate the impact, reasons for the same:

Reference is invited to the point no.20 to the notes to financial statements.

"In the matter of suit filed against the bank by M/s Religare Finvest Ltd., for adjustment of their deposits to the dues of M/s.RHC Holding Pvt. Ltd & M/s.Ranchem Pvt Ltd., as reported in the earlier quarters / year, it is being defended appropriately by the Bank and the matter still remains sub-judice."

(iii) Auditors' Comments on (i) or (ii) above:

As regards (i) & (ii) we are unable to ascertain the impact on the financial statements.

iii.

Signatories:

• Managing Director & CEO

• Chief Financial Officer

• Audit Committee Chairman

• Statutory Central Auditor

Place: Bengaluru

Date: 28.05.2019

