LAKSHMI VILAS BANK

Secretarial Department CIN No. L65110TN1926PLC001377

Ref/Sec/205 & 266/187/2014-2015 October 17, 2014

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	**The General Manager** Department of Corporate Services **BSE Limited** Listing Department Phiroze Jeejeeboy Tower Dalal Street, Fort Mumbai - 400 001

Dear Sir,

Sub: Forwarding of Un-Audited Financial Results for QE 30.09.2014

Please find enclosed the Un-Audited Financial Results and Limited Review Report of the Bank for the Second Quarter ended 30th September 2014, approved by the Board on 17.10.2014 for your records.

Thanking you,

Yours faithfully,

N. Ramanathan
Company Secretary

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

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/HALF YEAR ENDED 30TH SEPTEMBER, 2014

(₹ in lakhs)

PARTICULARS	QUARTER-ENDED			HALF-YEAR ENDED		YEAR ENDED
	30-Sep-14 (Reviewed)	30-Jun-14 (Reviewed)	30-Sep-13 (Reviewed)	30-Sep-14 (Reviewed)	30-Sep-13 (Reviewed)	31-Mar-14 (Audited)
1. INTEREST EARNED (a+b+c+d)	55119.31	53039.33	48567.18	108158.64	96359.64	198395.00
(a) Interest/discount on advances/bills	42113.35	40633.71	38793.16	82747.06	77341.05	159161.24
(b) Income on investments	12109.04	11713.42	9428.87	23822.46	18406.84	38266.81
(c) Interest on balances with RBI & Other inter- bank funds	223.87	159.78	13.87	383.64	245.27	365.78
(d) Others	673.05	532.42	331.28	1205.48	366.48	601.17
2. Other Income	6664.76	5673.41	5109.60	12338.17	10562.61	21799.21
3. Total Income (1+2)	61784.07	58712.74	53676.78	120496.80	106922.25	220194.21
4. Interest expended	41711.40	41419.75	36666.58	83131.15	72823.53	149793.95
5. Operating Expenses (i) + (ii)	11032.67	10316.74	9861.31	21349.42	18524.99	39500.54
(i) Employees cost	5203.27	5365.11	4516.20	10568.38	8704.73	18787.65
(ii) Other operating expenses	5829.40	4951.63	5345.11	10781.04	9820.26	20712.89
6. Total Expenditure (excluding provisions and contingencies (4) + (5)	52744.07	51736.49	46527.89	104480.57	91348.52	189294.49
7. Operating Profit before provisions and contingencies (3) - (6)	9039.99	6976.25	7148.88	16016.24	15573.73	30899.72
8. Provisions (other than Tax) and Contingencies	5089.64	3260.71	7463.54	8350.35	12453.80	26859.17
9. Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00
10.Profit/Loss from ordinary activities before tax (7)-(8)-(9)	3950.35	3715.54	-314.66	7665.89	3119.93	4040.55
11. Tax expense	800.00	900.00	-900.00	1700.00	0.00	-1925.00
12. Net Profit/Loss from Ordinary activities after tax (10) - (11)	3150.35	2815.54	585.34	5965.89	3119.93	5965.55
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)	3150.35	2815.54	585.34	5965.89	3119.93	5965.55
15. Paid up equity share capital (Face Value ₹10/-)	17882.16	9756.07	9756.07	17882.16	9756.07	9756.07
16. Reserves excluding revaluation reserves as per balance sheet of previous accounting year	87961.05	87961.05	83901.43	87961.05	83901.43	87961.05
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	13.40	10.66	11.29	13.40	11.29	10.93
(b) Basel - III	13.20	10.49	10.98	13.20	10.98	10.90
iii) Earnings Per Share (EPS)(*Not Annualised)						
(a) Basic EPS - before/after extra ordinary items (Not annualised) (₹)	2.57	2.89	0.60	5.42	3.20	6.11
(b) Diluted EPS - before/after extra ordinary items (Not annualised) (₹)	2.56	2.89	0.60	5.40	3.20	6.12
iv) NPA RATIOS						
(a) Gross NPA	51097.55	53111.15	64412.99	51097.55	64412.99	54646.45
Net NPA	37548.52	42331.97	45735.84	37548.52	45735.84	44339.16
(b) % of Gross NPA	3.72	3.96	5.22	3.72	5.22	4.19
% of Net NPA	2.78	3.19	3.77	2.78	3.77	3.44
(c) Return on Assets (%) (Annualised)	0.59	0.53	0.13	0.56	0.34	0.32
18. Public Shareholding						
- No. of Shares (in lakhs)	1616.41	881.78	878.77	1616.41	878.77	880.17
- Percentage of shareholding	90.39	90.38	90.07	90.39	90.07	90.22
19. Promoters and promoter group shareholding						
(a) Pledged /Encumbered						
- Number of Shares	7527805	4181524	3028509	7527805	3028509	4584520
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	43.82	44.57	31.28	43.82	31.28	48.04
- percentage of shares (as a % of the total share capital of the company)	4.21	4.29	3.10	4.21	3.10	4.70
(b) Non-encumbered	0.00					
- Number of shares	9652366	5201329	6654916	9652366	6654916	4958333
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	56.18	55.43	68.72	56.18	68.72	51.96
- percentage of share (as a % of the total share capital of the company)	5.40	5.33	6.82	5.40	6.82	5.08

R.K. KUMAR & CO. CHENNAI Chartered Accountants

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

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NOTES:

1	There has been no change in the accounting policies followed by the bank during the period ended September 2014 as compared to those in the preceeding financial year ended 31st March 2014.
2	The working results for the quarter ended 30th September 2014 have been arrived at after considering provision for Non Performing Assets, depreciation on Investments and Employees Benefit. Provision for 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	In accordance with RBI Circular no. DBOD.BP.BC.80/21.04.018/10-11 dt:09.02.2011
	a) a sum of ₹3.89 crore has been charged to profit & loss account during the quarter on proportionate basis towards pension liability. The balance amount of ₹7.78 crore is carried forward to be charged to Profit & Loss Account during the year.
	b) a sum of ₹0.77 crore has been charged to profit & loss account during the quarter on proportionate basis towards gratuity liability. The balance amount of ₹1.53 crore is carried forward to be charged to Profit & Loss Account during the year.
4	The Bank is in the process of assessing potential impact of depreciation on adoption of Schedule II of the Companies Act 2013,which has come into effect from 01.04.2014. Hence, depreciation has been provided on an estimated basis.
5	On 02.09.2014, the bank has allotted 81260919 equity shares to existing shareholders at an issue price of Rs.50/- per equity share (including premium of Rs.40/-) by way of Rights Issue.
6	Pending receipt of opinion from the expert advisory committee of the Institute of Chartered Accountants of India, the Bank's Pension Fund has, based on an expert opinion obtained by it, continued to value as in previous year at cost the annuities purchased from LIC under Return of Capital (ROC Scheme) for certain pensioners, as against the valuation at Net Present Value and accordingly pension liability has been actuarily determined.
7	In accordance with RBI Circular no. DBOD.BP.BC.2/21.06.201/2013-14 dt:01.07.2013, banks are required to make half yearly Pillar 3 disclosures under Basel III capital requirements w.e.f.30.09.2013. Bank has made these disclosures available on its website.
8	The above financial results have been reviewed by the Audit Committee of the Board in their meeting held on 16th October 2014 and approved by the Board of Directors in their meeting held on 17th October, 2014. 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 exhanges.
9	Status of Investor Complaints for the quarter ended 30th September 2014
	Complaints pending at the beginning of the Quarter : Nil
	Complaints received during the Quarter : 20
	Complaints disposed during the Quarter: 20
	Complaints unresolved at the end of the Quarter: Nil
10	The figures of the previous period/year have been regrouped/rearranged, wherever necessary.

Place: Chennai
Date: 17/10/2014

RAKESH SHARMA
MD & CEO

R.K. KUMAR & CO. CHENNAI Chartered Accountants

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

SEGMENT REPORTING - SEPTEMBER 2014

(₹ IN CRORE)

PART A: BUSINESS SEGMENTS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
PARTICULARS	30/09/2014	30/06/2014	30/09/2013	30/09/2014	30/09/2013	31/03/2014
1. ***SEGMENT REVENUE*** :	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
a. Treasury operations	129.43	125.04	95.45	254.47	200.75	403.65
b. Corporate/wholesale banking operations	206.52	177.30	174.94	383.82	355.45	715.29
c. Retail banking operations	274.57	279.11	262.50	553.68	508.49	1074.23
d. Other banking operations	7.32	5.68	3.89	13.00	4.54	8.77
TOTAL	**617.84**	**587.13**	**536.78**	**1204.97**	**1069.23**	**2201.94**
2. ***SEGMENT RESULTS*** (Profit/loss before Tax)						
a. Treasury operations	0.50	19.24	-5.78	19.74	8.10	-9.16
b. Corporate/wholesale Banking operations	7.24	3.18	-3.97	10.42	1.02	7.33
c. Retail banking operations	25.95	10.47	4.04	36.43	19.49	38.13
d. Other banking operations	5.81	4.27	2.56	10.07	2.59	4.11
TOTAL	**39.50**	**37.16**	**-3.15**	**76.66**	**31.20**	**40.41**
PROFIT BEFORE TAX	**39.50**	**37.16**	**-3.15**	**76.66**	**31.20**	**40.41**
Less : Tax expenses	8.00	9.00	-9.00	17.00	0.00	-19.25
NET PROFIT	**31.50**	**28.16**	**5.85**	**59.66**	**31.20**	**59.66**
3. SEGMENT ASSETS :						
a. Treasury operations	6412.13	6055.73	4928.08	6412.13	4928.08	5814.38
b. Corporate/wholesale banking operations	6781.07	5715.55	4819.11	6781.07	4819.11	5286.10
c. Retail banking operations	7404.42	8168.95	7858.29	7404.42	7858.29	8486.06
d. Other banking operations	1280.27	1205.32	1129.51	1280.27	1129.51	1066.52
TOTAL	**21877.89**	**21145.55**	**18734.99**	**21877.89**	**18734.99**	**20653.06**
4. SEGMENT LIABILITIES:						
a. Treasury operations	20.74	23.86	18.05	20.74	18.05	24.47
b. Corporate/wholesale banking operations	4337.85	5076.62	4006.04	4337.85	4006.04	5982.87
c. Retail banking operations	15454.36	14505.33	13216.18	15454.36	13216.18	13178.22
d. Other banking operations	545.38	457.99	448.93	545.38	448.93	413.90
TOTAL	**20358.33**	**20063.80**	**17689.20**	**20358.33**	**17689.20**	**19599.46**
CAPITAL AND RESERVES	1519.56	1081.75	1045.79	1519.56	1045.79	1053.60
TOTAL	**21877.89**	**21145.55**	**18734.99**	**21877.89**	**18734.99**	**20653.06**

PART B: GEOGRAPHICAL SEGMENTS

Since the Bank is having domestic operation only, no reporting is necessary under this segment.

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

R.K. KUMAR & CO. CHENNAI Chartered Accountants

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

THE LAKSHMI VILAS BANK LIMITED

BALANCE SHEET AS AT 30th September 2014

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I. CAPITAL & LIABILITIES	AS AT 30/09/2014	AS AT 30/09/2013	AS AT 31/03/2014
a. Capital	1788216	975607	975607
b. Reserves & Surplus	13407410	9482279	9560385
c. Deposits	193148768	164554522	185728821
d. Borrowings	4581000	6549477	4581000
e. Other Liabilities & Provisions	5853551	5787987	5684759
TOTAL	**218778945**	**187349872**	**206530572**
II. ASSETS			
a. Cash & Balances with Reserve Bank of India	10117869	9790797	11920825
b. Balances with Banks and Money at Call & Short Notice	1746318	495117	1196044
c. Investments	62636015	48227415	56886776
d. Advances	135254957	121213271	128891896
e. Fixed Assets	2072461	1900745	2005082
f. Other Assets	6951325	5722527	5629949
TOTAL	**218778945**	**187349872**	**206530572**

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R.K. KUMAR & CO

CHARTERED ACCOUNTANTS

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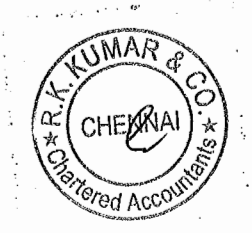
Limited Review Report

The Board of Directors
Lakshmi Vilas Bank Ltd
Chennai

We have reviewed the accompanying statement of unaudited financial results of **Lakshmi Vilas Bank Limited** for the Period ended 30.09.2014, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. The preparation and fair presentation of this 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.

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 Bank Personnel and analytical procedures applied to financial data and thus provide less assurance than an Audit. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In the conduct of our Review we have relied on the reports received from concurrent auditors of 73 branches. These reports cover 60.09 percent 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.



R.K. KUMAR & CO

CHARTERED ACCOUNTANTS

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TEL. : 24349866, 24349867

Without Qualifying our report, we draw attention to:-

Note no.3 of the unaudited financial statements, regarding deferment of pension and gratuity liability of the Bank to the extent of Rs.9.31 Crore to be amortised in the subsequent periods pursuant to the exemption granted by the Reserve Bank of India from the application of the provisions of Accounting Standard (AS) 15 –Employee Benefits vide circular no.DBOD.BP.BC.80/21.04.2018/10-11 dated 09.02.2011

Note no 6 of the unaudited financial statements regarding methodology of valuation adopted by the actuary for determining the pension liability.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying interim statement of unaudited financial results prepared in accordance with applicable Accounting Standards specified under the Companies Act,1956 (which are deemed to be applicable as per Section 133 of the Companies Act,2013, read with Rule 7 of the Companies (Accounts) Rules 2014)) and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement 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.

Date: 17th October, 2014

Place: Chennai

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

(C.R.Sundararajan)
Partner
Membership No.025400

R.K.KUMAR & CO. CHENNAI Chartered Accountants