LAKSHMI VILAS BANK

Secretarial Department CIN No. L65110TN1926PLC001377

Ref/Sec/205 & 266/340 /2014-2015 January 13, 2015

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 31.12.2014

Please find enclosed the Un-Audited Financial Results and Limited Review Report of the Bank for the Third Quarter ended 31st December 2014, approved by the Board on 13.01.2015 for your records.

Thanking you,

Yours faithfully,

N. Ramanathan
Company Secretary

Encl: A/a

THE LAKSHMI VILAS BANK LTD. Secretarial 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)

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED 31ST DECEMBER, 2014

(₹ in lakhs)

PARTICULARS	QUARTER-ENDED			NINE MONTHS ENDED		YEAR ENDED
	31-Dec-14 (Reviewed)	30-Sep-14 (Reviewed)	31-Dec-13 (Reviewed)	31-Dec-14 (Reviewed)	31-Dec-13 (Reviewed)	31-Mar-14 (Audited)
1. INTEREST EARNED (a+b+c+d)	56200.08	55119.31	50650.27	164358.72	147009.91	198395.00
(a) Interest/discount on advances/bills	43244.09	42113.35	40763.32	125991.15	118104.37	159161.24
(b) Income on investments	12078.95	12109.04	9647.42	35901.41	28054.26	38266.81
(c) Interest on balances with RBI & Other inter- bank funds	336.69	223.87	19.01	720.34	264.28	365.78
(d) Others	540.35	673.05	220.52	1745.82	587.00	601.17
2. Other Income	7336.39	6267.91	4613.17	19100.98	14601.40	20359.23
3. Total Income (1+2)	63536.47	61387.22	55263.44	183459.69	161611.31	218754.23
4. Interest expended	42449.38	41711.40	38118.00	125580.54	110941.53	149793.95
5. Operating Expenses (i) + (ii)	10807.53	10635.82	9635.98	31583.37	27586.59	38060.56
(i) Employees cost	5612.81	5203.27	4925.94	16181.19	13630.67	18787.65
(ii) Other operating expenses	5194.72	5432.55	4710.04	15402.17	13955.92	19272.91
6. Total Expenditure (excluding provisions and contingencies (4) + (5)	53256.91	52347.22	47753.98	157163.90	138528.12	187854.51
7. Operating Profit before provisions and contingencies (3) - (6)	10279.56	9039.99	7509.46	26295.79	23083.19	30899.72
8. Provisions (other than Tax) and Contingencies	6124.04	5089.64	6766.88	14474.38	19220.68	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)	4155.52	3950.35	742.58	11821.41	3862.51	4040.55
11. Tax expense	900.00	800.00	0.00	2600.00	0.00	-1925.00
12. Net Profit/Loss from Ordinary activities after tax (10) - (11)	3255.52	3150.35	742.58	9221.41	3862.51	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)	3255.52	3150.35	742.58	9221.41	3862.51	5965.55
15. Paid up equity share capital (Face Value ₹10/-)	17892.16	17882.16	9756.07	17892.16	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	12.61	13.40	10.69	12.61	10.69	10.93
(b) Basel - III	12.47	13.20	10.46	12.47	10.46	10.90
iii) Earnings Per Share (EPS)(*Not Annualised)						
(a) Basic EPS - before/after extra ordinary items (Not annualised) (₹)	1.82	2.57	0.76	6.92	3.96	6.11
(b) Diluted EPS - before/after extra ordinary items (Not annualised) (₹)	1.82	2.56	0.76	6.90	3.97	6.12
iv) NPA RATIOS						
(a) Gross NPA	49085.13	51097.55	72220.87	49085.13	72220.87	54646.45
Net NPA	33661.16	37548.52	55022.76	33661.16	55022.76	44339.16
(b) % of Gross NPA	3.40	3.72	5.60	3.40	5.60	4.19
% of Net NPA	2.37	2.78	4.33	2.37	4.33	3.44
(c) Return on Assets (%) (Annualised)	0.59	0.59	0.16	0.57	0.28	0.32
18. Public Shareholding						
- No. of Shares (in lakhs)	1617.67	1616.41	879.86	1617.67	879.86	880.17
- Percentage of shareholding	90.41	90.39	90.19	90.41	90.19	90.22
19. Promoters and promoter group shareholding						
(a) Pledged /Encumbered						
- Number of Shares	6497805	7527805	4075609	6497805	4075609	4584520
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	37.88	43.82	42.57	37.88	42.57	48.04
- percentage of shares (as a % of the total share capital of the company)	3.63	4.21	4.18	3.63	4.18	4.70
(b) Non-encumbered						
- Number of shares	10656936	9652366	5498625	10656936	5498625	4958333
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	62.12	56.18	57.43	62.12	57.43	51.96
- percentage of share (as a % of the total share capital of the company)	5.96	5.40	5.63	5.96	5.63	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 December 2014 as compared to those in the preceeding financial year ended 31st March 2014.
2	The working results for the quarter ended 31st December 2014 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	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 ₹3.89 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 ₹0.76 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	During the quarter ended 31st December 2014, the Bank had allotted 100000 shares pursuant to the exercise of employees' stock option.
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 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 at http://www.lvbank.com/basel_ii.aspx.
8	The above financial results have been reviewed by the Audit Committee of the Board in their meeting held on 12th January 2015 and approved by the Board of Directors in their meeting held on 13th January 2015. 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.
9	Status of Investor Complaints for the quarter ended 31st December 2014: -Complaints pending at the beginning of the Quarter : Nil -Complaints received during the Quarter : 9 -Complaints disposed during the Quarter: 9 -Complaints unresolved at the end of the Quarter: Nil
10	The figures of the previous periods/year have been regrouped/rearranged, wherever necessary.

Place: Chennai
Date: 13-01-15

RAKESH SHARMA
MD & CEO

R.K. KUMAR & CO. CHENNAI Chartered Accountants

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

SEGMENT REPORTING - DECEMBER 2014

(₹ IN CRORE)

PART A: BUSINESS SEGMENTS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
PARTICULARS	31-12-14	30-09-14	31-12-13	31-12-14	31-12-13	31-03-14
1. ***SEGMENT REVENUE*** :	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
a. Treasury operations	135.45	129.43	98.28	389.92	299.03	403.65
b. Corporate/wholesale banking operations	237.55	204.81	175.57	618.97	528.76	709.58
c. Retail banking operations	256.48	272.31	275.89	806.83	780.90	1065.54
d. Other banking operations	5.88	7.32	2.89	18.88	7.42	8.77
TOTAL	**635.36**	**613.87**	**552.63**	**1834.60**	**1616.11**	**2187.54**
2. ***SEGMENT RESULTS*** (Profit/loss before Tax)						
a. Treasury operations	25.08	0.50	-9.59	44.81	-1.41	-9.00
b. Corporate/wholesale Banking operations	3.61	7.24	5.54	14.03	4.15	5.07
c. Retail banking operations	8.59	25.95	10.00	45.02	31.78	40.09
d. Other banking operations	4.28	5.81	1.48	14.35	4.10	4.25
TOTAL	**41.56**	**39.50**	**7.43**	**118.21**	**38.62**	**40.41**
PROFIT BEFORE TAX	**41.56**	**39.50**	**7.43**	**118.21**	**38.62**	**40.41**
Less : Tax expenses	9.00	8.00	0.00	26.00	0.00	-19.25
NET PROFIT	**32.56**	**31.50**	**7.43**	**92.21**	**38.62**	**59.66**
3. SEGMENT ASSETS :						
a. Treasury operations	6095.66	6412.13	5064.11	6095.66	5064.11	5814.38
b. Corporate/wholesale banking operations	6850.79	6781.07	5012.58	6850.79	5012.58	5286.10
c. Retail banking operations	8121.21	7404.42	8213.65	8121.21	8213.65	8486.06
d. Other banking operations	1107.78	1280.27	1243.47	1107.78	1243.47	1066.52
TOTAL	**22175.44**	**21877.89**	**19533.81**	**22175.44**	**19533.81**	**20653.06**
4. SEGMENT LIABILITIES:						
a. Treasury operations	20.08	20.74	20.35	20.08	20.35	24.47
b. Corporate/wholesale banking operations	4077.02	4337.85	4819.18	4077.02	4819.18	5982.87
c. Retail banking operations	16024.77	15454.36	13177.22	16024.77	13177.22	13178.22
d. Other banking operations	500.23	545.38	463.85	500.23	463.85	413.90
TOTAL	**20622.10**	**20358.33**	**18480.60**	**20622.10**	**18480.60**	**19599.46**
CAPITAL AND RESERVES	1553.34	1519.56	1053.21	1553.34	1053.21	1053.60
TOTAL	**22175.44**	**21877.89**	**19533.81**	**22175.44**	**19533.81**	**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

R.K. KUMAR & CO

CHARTERED ACCOUNTANTS

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

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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 31.12.2014, 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 90 branches. These reports cover 72.94 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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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.4.65 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

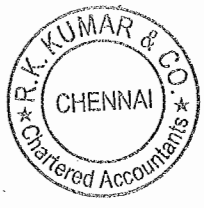
Note No. 6 of the unaudited financial statements regarding methodology of valuation adopted for determining the pension liability.

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: 13th January, 2015

Place: Chennai

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



(G.Naganathan)
Partner
Membership No.022456