LAKSHMI VILAS BANK

Secretarial Department

Ref/Sec/205 & 266/35/2014-2015 May 14, 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,

Forwarding of Audited Financial Results for the FY 2013-2014

Please find enclosed the Audited Financial Results of the Bank for the year ended 31st March, 2014 approved by the Board, on 14.05.2014 for your records.

Further, the Board of Directors resolved to recommend dividend @ 10% (Rs. 1.00./- per share) for the year 2013-2014 on the equity shares subject to approval of shareholders at the ensuing 87th Annual General Meeting of the Bank.

Thanking you,

Yours faithfully,

Liston Pereira
Manager

SECRETARIAL DEPARTMENT LVB A.O KARUR-6

Encl: A/a

LAKSHMI VILAS BANK

REGD. & ADMN. OFFICE, SALEM ROAD, KARUR 639 006

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH , 2014

(₹ in lakhs)

PARTICULARS	QUARTER-ENDED			YEAR ENDED	
	31-Mar-14	31-Dec-13	31-Mar-13	31-Mar-14	31-Mar-13
	(Audited)	(Reviewed)	(Audited)	(Audited)	(Audited)
1. INTEREST EARNED (a+b+c+d)	51385.09	50650.27	46043.10	198395.00	176054.81
(a) Interest/discount on advances/bills	41056.87	40763.32	36080.16	159161.24	139345.44
(b) Income on investments	10212.55	9647.42	8457.75	38266.81	34078.20
(c) Interest on balances with RBI & Other inter- bank funds	101.50	19.01	32.53	365.78	78.48
(d) Others	14.17	220.52	1472.66	601.17	2552.69
2. Other Income	6161.66	5074.94	6037.97	21799.21	19706.63
3. Total Income (1+2)	57546.75	55725.21	52081.07	220194.21	195761.44
4. Interest expended	38852.42	38118.00	34551.23	149793.95	136854.98
5. Operating Expenses (i) + (ii)	10877.80	10097.75	9595.68	39500.54	33791.77
(i) Employees cost	5156.98	4925.94	4499.97	18787.65	15761.95
(ii) Other operating expenses	5720.82	5171.81	5095.71	20712.89	18029.82
6. Total Expenditure (excluding provisions and contingencies (4) + (5)	49730.22	48215.75	44146.90	189294.49	170646.74
7. Operating Profit before provisions and contingencies (3) - (6)	7816.53	7509.46	7934.17	30899.72	25114.70
8. Provisions (other than Tax) and Contingencies	7638.49	6766.88	4604.16	26859.17	11337.25
9. Exceptional Items	0.00	0.00	0.00	0.00	0.00
10.Profit/Loss from ordinary activities before tax (7)-(8)-(9)	178.04	742.58	3330.01	4040.55	13777.45
11. Tax expense					
a) Current Tax	2293.00	568.00	2843.00	2293.00	5843.00
b) Deferred Tax (net)	-4218.00	-568.00	-1223.00	-4218.00	-1223.00
12. Net Profit/Loss from Ordinary activities after tax (10) - (11)	2103.04	742.58	1710.01	5965.55	9157.45
13. Extra Ordinary items (Net of Tax Expense)	0.00	0.00	0.00	0.00	0.00
14. Net Profit/Loss for the period (12+13)	2103.04	742.58	1710.01	5965.55	9157.45
15. Paid up equity share capital (Face Value ₹10/-)	9756.07	9756.07	9754.07	9756.07	9754.07
16. Reserves excluding revaluation reserves as per balance sheet of previous accounting year	87961.05	83901.43	83901.43	87961.05	83901.43
17. Analytical Ratios					
i) Percentage of shares held by Govt. of India	NIL	NIL	NIL	NIL	NIL
ii) Capital Adequacy Ratio (%)					
(a) Basel - II	10.93	10.69	12.32	10.93	12.32
(b) Basel - III	10.90	10.46	NA	10.90	NA
iii) Earnings Per Share (EPS)(*Not Annualised)					
(a) Basic EPS - before/after extra ordinary items (Not annualised) (₹)	2.16	0.76	1.75	6.11	9.39
(b) Diluted EPS - before/after extra ordinary items (Not annualised) (₹)	2.16	0.76	1.75	6.12	9.39
iv) NPA RATIOS					
(a) Gross NPA	54646.45	72220.87	45990.78	54646.45	45990.78
Net NPA	44339.16	55022.76	28380.90	44339.16	28380.90
(b) % of Gross NPA	4.19	5.60	3.87	4.19	3.87
% of Net NPA	3.44	4.33	2.43	3.44	2.43
(c) Return on Assets (%) (Annualised)	0.43	0.16	0.39	0.32	0.54
18. Public Shareholding					
- No. of Shares (in lakhs)	880.17	879.86	878.57	880.17	878.57
- Percentage of shareholding	90.22	90.19	90.07	90.22	90.07
19. Promoters and promoter group shareholding					
(a) Pledged /Encumbered					
- Number of Shares	4584520	4075609	2978628	4584520	2978628
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	48.04	42.57	30.76	48.04	30.76
- percentage of shares (as a % of the total share capital of the company)	4.70	4.18	3.05	4.70	3.05
(b) Non-encumbered					
- Number of shares	4958333	5498625	6704797	4958333	6704797
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	51.96	57.43	69.24	51.96	69.24
- percentage of share (as a % of the total share capital of the company)	5.08	5.63	6.87	5.08	6.87

SAGAR & ASSOCIATES CHARTERED ACCOUNTANTS HYDERABAD

THE LAKSHMI VILAS BANK LTD. ACCOUNTS DEPT. KARUR

LAKSHMI VILAS BANK

REGD. & ADMN.OFFICE, SALEM ROAD, KARUR 639 006

NOTES:

1	The working results for the year ended 31st March 2014 have been arrived after considering provisions for Standard Assets, Non Performing Assets, Depreciation on Investments, Provision for Employees Benefit and other usual and necessary provisions.
2	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 crores has been charged to profit & loss account during the quarter on proportionate basis towards pension liability. The balance amount of ₹15.56 crores is carried forward to be charged to Profit & Loss Account during next year. b) a sum of ₹0.77 crores has been charged to profit & loss account during the quarter on proportionate basis towards gratuity liability. The balance amount of ₹3.06 crores is carried forward to be charged to Profit & Loss Account during next year.
3	Pursuant to RBI circular no.DBOD.No.BP.BC.77/21.04.018/ 2013-14 dated 20.12.2013, bank has created Deferred Tax Liability (DTL) of Rs.7.87 crore on special reserve created u/s 36(1)(viii) of the Income Tax Act, 1961, not fully charged to profit and loss account in earlier years, has now been adjusted directly from general reserve. Had this amount been charged to the profit and loss account in accordance with Generally Accepted Accounting Principles (GAAP), the amount of profit for the year would have been lower by such amount. Further, as required by aforesaid RBI circular, the bank has created a DTL of Rs.3.11 crore in respect of the amount transferred to special reserve for the year ended Mar 31, 2014, and the same is charged to profit and loss account for the year. Had the bank continued with its policy of not creating a DTL on such special reserve, the reserves and the profit of the Bank as at/for the year ended 31/03/2014 would have been higher by Rs.7.87 crore and Rs.3.11 crore respectively.
4	RBI vide its circular No.DBOD.BP.BC.No.41/21.04.141/2013-14 dated 23.08.2013 has allowed banks to distribute the net depreciation on the entire AFS and HFT portfolio on the valuation date over the current financial year in equal instalments. The Bank had amortised such depreciation during the quarters ended September 2013 and December 2013. Bank has provided Rs.10.37 crore in the current quarter and thus the depreciation on the entire AFS and HFT portfolio is fully recognised as at 31.03.2014.
5	In respect of certain non-performing advances related to the previous year, bank has obtained dispensation from Reserve Bank of India vide RBI letter DBS.CO.PvtSBMD.No.2116/15.01.067/2013-14 dated 08.08.2013 and accordingly the bank has provided Rs.81.45 crore during the year in respect of such advances, including a sum of Rs 26.45 crore in the current quarter, as permitted by RBI.
6	Pending settlement of wage revision of employees, an expenditure of Rs.13.02 crore is incurred during the year, including adhoc payment made to the employees. The total expenditure incurred on this account as at 31/03/2014 is Rs.18.32 crore.
7	Current tax provision is made as applicable under Minimum Alternate Tax (MAT). Credit entitlement u/s 115JAA of the Income Tax Act 1961 is availed and considered as other asset.
8	In accordance with RBI Circular no. DBOD.BP.BC.88/21.06.201/2013-14 dt:28.03.2013, banks have been advised to disclose capital adequacy ratio computed under Basel III regulations from the quarter ended 30.06.2013. Accordingly, corresponding details for the previous years/periods are not furnished.
9	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.
10	Status of Investor Complaints for the quarter ended 31st March 2014
	Complaints pending at the beginning of the Quarter : Nil
	Complaints received during the Quarter : 1
	Complaints disposed during the Quarter: 1

SAGAR & ASSOCIATES * HYDERABAD * CHARTERED ACCOUNTANTS

THE LAKSHMI VILAS BANK LTD. ACCOUNTS DEPT. KARUR

	Complaints unresolved at the end of the Quarter: Nil
11	The above financial results were recommended by the Audit Committee and approved by the Board of Directors of the Bank at their meeting held on 14th May, 2014.
12	The Board of Directors have recommended a dividend of 10% for the year 2013-14 subject to the approval of shareholders.
13	The figures of the previous period/year have been regrouped/rearranged, wherever necessary.
14	The figures for the quarter ended March 31, 2014 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures in respect of full financial year and the year to date figures up to the end of the third quarter of the relevant financial year.

Place: Bangalore
Date: 5/14/2014

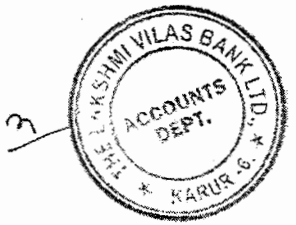
RAKESH SHARMA
MD & CEO

SAGAR & ASSOCIATES
CHARTERED ACCOUNTANTS

THE LAKSHMI VILAS BANK LTD.
ACCOUNTS DEPT.

		(₹000's)
I. CAPITAL & LIABILITIES	**AS AT 31/03/2014**	**AS AT 31/03/2013**
a. Capital	975607	975407
b. Reserves & Surplus	9560385	9168038
c. Deposits	185728821	156189779
d. Borrowings	4581000	4800000
e. Other Liabilities & Provisions	5684759	5533579
TOTAL	**206530572**	**176666803**
II. ASSETS		
a. Cash & Balances with Reserve Bank of India	11920825	7281507
b. Balances with Banks and Money at call & Short Notice	1196044	1437991
c. Investments	56886776	43245468
d. Advances	128891896	117027956
e. Fixed Assets	2005082	1898202
f. Other Assets	5629949	5775679
TOTAL	**206530572**	**176666803**





SEGMENT REPORTING - MARCH 2014

(₹ IN CRORE)

PART A: BUSINESS SEGMENTS	QUARTER ENDED			YEAR ENDED	
PARTICULARS	3/31/2014	12/31/2013	3/31/2013	3/31/2014	3/31/2013
1. *SEGMENT REVENUE* :	(Audited)	(Reviewed)	(Audited)	(Audited)	(Audited)
a. Treasury operations	104.62	98.28	94.14	403.65	366.35
b. Corporate/wholesale banking operations	182.44	177.40	186.20	715.29	690.08
c. Retail banking operations	287.06	278.69	224.63	1074.23	873.04
d. Other banking operations	1.35	2.89	15.84	8.77	28.14
TOTAL	**575.47**	**557.25**	**520.81**	**2201.94**	**1957.61**
2. *SEGMENT RESULTS* (Profit/loss before Tax)					
a. Treasury operations	-7.63	-9.64	3.71	-9.17	20.39
b. Corporate/wholesale Banking operations	0.85	5.46	4.66	7.33	38.82
c. Retail banking operations	8.46	10.18	10.47	38.13	53.42
d. Other banking operations	0.10	1.43	14.46	4.11	25.14
TOTAL	**1.78**	**7.43**	**33.30**	**40.41**	**137.77**
PROFIT BEFORE TAX	**1.78**	**7.43**	**33.30**	**40.41**	**137.77**
Less : Tax expenses	-19.25	0.00	16.20	-19.25	46.20
NET PROFIT	**21.03**	**7.43**	**17.10**	**59.66**	**91.57**
3. SEGMENT ASSETS :					
a. Treasury operations	5814.38	5064.11	4414.14	5814.38	4414.14
b. Corporate/wholesale banking operations	5286.10	5012.58	5512.07	5286.10	5512.07
c. Retail banking operations	8486.06	8213.65	6709.21	8486.06	6709.21
d. Other banking operations	1066.52	1243.47	1031.26	1066.52	1031.26
TOTAL	**20653.06**	**19533.81**	**17666.68**	**20653.06**	**17666.68**
4. SEGMENT LIABILITIES:					
a. Treasury operations	24.46	20.35	20.35	24.46	20.35
b. Corporate/wholesale banking operations	5982.87	4819.18	3570.94	5982.87	3570.94
c. Retail banking operations	13178.22	13177.22	12630.17	13178.22	12630.17
d. Other banking operations	413.90	463.85	430.88	413.90	430.88
TOTAL	**19599.46**	**18480.60**	**16652.34**	**19599.46**	**16652.34**
CAPITAL AND RESERVES	1053.60	1053.21	1014.34	1053.60	1014.34
TOTAL	**20653.06**	**19533.81**	**17666.68**	**20653.06**	**17666.68**

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.



