LAKSHMI VILAS BANK

Secretarial Department CIN L65110TN1926PLC001377

Ref/Sec/211/96 /2018-2019 July 07, 2018

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 Company symbol: LAKSHVILAS	**The General Manager** Department of Corporate Services **BSE Limited** Listing Department Phiroze Jeejeeboy Tower Dalal Street, Fort Mumbai - 400 00 Security code no: 534690

Dear Sir,

Sub: Annual Report for the year 2017-18 of The Lakshmi Vilas Bank Limited ("Bank").

In compliance with the applicable regulations of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, we herewith enclose the Annual Report for the year 2017-18 of the Bank.

This is for your kind information.

Thanking you,

Yours faithfully,

N Ramanathan
Company Secretary

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

LAKSHMI VILAS BANK

91st ANNUAL REPORT 2017 - 2018



BBPS (BHARAT BILL PAYMENT SYSTEM)

INTERNET BANKING

LVB MOBILE

LVB UPAAY

POS

DEBIT CARD

E-LOUNGE

BHARAT QR

ATM

USSD (*99#)

BOARD OF DIRECTORS



Shri B.K. MANJUNATH
Non Executive Chairman



Shri PARTHASARATHI MUKHERJEE
Managing Director & CEO



Shri N. MALAYALARAMAMIRTHAM



Shri Y.N. LAKSHMINARAYANA MURTHY



Shri KUSUMA R MUNIRAJU



Smt. ANURADHA PRADEEP



Shri HEMANT KAUL



Shri G. SUDHAKARA GUPTA



Shri H.S. UPENDRA KAMATH



Shri SUVENDU PATI
RBI Nominee



Shri RAJNISH KUMAR
RBI Nominee

LAKSHMI VILAS BANK

BOARD OF DIRECTORS

Shri / Smt.

B.K.Manjunath - Non-Executive Chairman
Parthasarathi Mukherjee - Managing Director & CEO
N.Malayalaramamirtham
Y.N.Lakshminarayana Murthy
Kusuma R Muniraju
Anuradha Pradeep
Hemant Kaul
G.Sudhakara Gupta (From 27.09.2017)
H.S.Upendra Kamath (From 20.04.2018)
Suvendu Pati - RBI Nominee
Rajnish Kumar - RBI Nominee

PRESIDENTS

Meenakshi Sundaram RM (Head - Corporate Banking)
Narayanan P P (Head - MSME and Transaction Banking)
Sundar S (Chief Financial Officer)

SENIOR VICE PRESIDENTS

Gurumurthy R K
Peeush Jain
Padmanabhan Premkumar
Sudhir Kaushik
Kumarappan RM
Madhusudana Rao V
Vasant Shukla
Venkatesh S
Manmadha Rao Boyina
Nachiappan N
Rajendran A
Manikandan M
Ravindra Kumar G
Neena Anand
Srinath M
Sanjay Kumar Rai

COMPANY SECRETARY

Ramanathan N

STATUTORY AUDITOR

M/s. R.K. Kumar & Co.
Chartered Accountants
Chennai
(Registration No. 001595S)

SECRETARIAL AUDITOR

Shri K.Muthusamy,
Practicing Company Secretary
Coimbatore
(M.No.F 5865; CP:3176)

REGISTERED OFFICE

Salem Road, Kathaparai, Karur-639 006,
Tamilnadu
Phone : 04324-258501
Website: www.lvbank.com
E-Mail : secretarial@lvbank.in

CORPORATE OFFICE

"LVB HOUSE",
No.4, Sardar Patel Road,
Guindy, Chennai - 600 032
Tamilnadu
Phone : 044 22205222

REGISTRAR AND SHARE TRANSFER AGENT

M/s. Integrated Registry Management Services Private Limited
II Floor, "Kences Towers",
No.1, Ramakrishna Street,
North Usman Road, T.Nagar,
Chennai - 600 017.
Phone : 044-28140801/2/3 Fax: 28142479
Email : lvb@integratedindia.in

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LAKSHMI VILAS BANK

DIRECTORS' 91st ANNUAL REPORT

TO

THE MEMBERS

The Directors of your Bank wish to present this 91st Annual Report on the business and operations of your Bank together with the Audited Accounts for the year ended 31st March, 2018 (FY 2017-18).

1. FINANCIAL PERFORMANCE:

The highlights of the financial performance of your Bank for the year ended 31st March, 2018 are as under:

Particulars	For the year ended (₹ in crore)	
	31st March 2018	31st March 2017
Deposits	**33,309.48**	30,553.35
Advances (net)	**25,768.20**	23,728.91
Investments (net)	**10,767.75**	8,651.73
Total Income	**3,388.43**	3,349.42
Operating Profit	**355.38**	634.06
Provisions & Contingencies	**940.24**	377.98
Net profit	**(-)584.86**	256.07

Your bank registered a growth of 10.64% in business and attained a total business of ₹ 60,314.02 crore in FY 2017-18 as against total business of ₹ 54,511.81 crore in FY 2016-17.

Deposits grew by 9.02%, from ₹ 30,553.35 crore as at 31st March 2017 to ₹ 33,309.48 crore as at 31st March 2018. CASA represented 21.06% of total deposits. Total advances (net) expanded by 8.59%, from ₹ 23,728.91 crore to ₹ 25,768.20 crore in the same period.

The total Priority Sector Advances were ₹ 8801.64 crores forming 41.81% of Adjusted Net Bank Credit (ANBC) against the regulatory prescription of 40% of ANBC for the FY 2017-18.

The total Agricultural Advances stood at ₹ 3793.54 crores forming 18.02% of ANBC against the regulatory prescription of 18.00% of ANBC. Of which, loans to Small and Marginal Farmers stood at ₹ 1970.29 crores forming 9.36% of ANBC against the mandatory requirements of 8.00% of ANBC for the year 2017-18.

Our Bank's advances to Micro Enterprises under MSME were at 7.60% of ANBC amounting to ₹ 1599.14 crores against the mandatory requirements of 7.50% of ANBC for the year 2017-18.

Bank's advances to Weaker Sections were ₹ 2133.28 crores forming 10.13% of ANBC against the mandatory requirements of 10.00% of ANBC for year 2017-18.

The Bank continues to comply with the regulatory guidelines under priority sector, agricultural lending, micro enterprises and weaker section advances.

The Bank's exposures to sensitive sectors including Real Estate and Capital Market were maintained well within the regulatory limits as well as overall internal ceilings prescribed for such exposures.

As at the end of the year under review, the total investments (net) of the Bank stood at ₹ 10,767.75 crore as against ₹ 8,651.73 crore as on 31st March 2017.

Your Bank's Treasury continues to focus on sound Asset-Liability Management and on servicing clients with appropriate treasury products and was managed reasonably well in a systematic way in a year when yields were constantly rising.

2. PROFIT / LOSS

The Bank has posted an operating profit of ₹ 355.38 crores in FY 2017-18 against ₹ 634.06 crores in the previous year FY 2016-17. Excluding Treasury profits, the operating profit for 2017-18 was ₹ 290.98 crores as against ₹ 374.10 crores in the Previous Year. The net loss for the year, after provisions and taxes, amounted to ₹ 584.87 crores as against a net profit of ₹ 256.07 crores recorded in 2016-17.

3. APPROPRIATIONS:

Particulars	For the year ended (₹ in crore)	
	31st March 2018	31st March 2017
Profit brought forward	**62.26**	0.00
Transfer from Investment Reserve	**0.00**	0.00
Amount available for appropriation	**(-)522.60**	256.07
Transfer to		
Statutory Reserve	**0.00**	64.10
Capital Reserve	**86.26**	77.16
Other Reserve		46.55
Investment Reserve	**0.00**	0.00
Special Reserve u/s 36(i)(viii)of the IT Act, 1961	**0.00**	6.00
Proposed Dividend/Dividend paid for FY 2016-17	**51.79**	0.00
Corporate Dividend Tax - FY2016-17	**10.47**	0.00
Balance of profit carried forward	**(-)671.12**	62.26

4. DIVIDEND:

In view of the Net Loss for the FY 2017-18, your Board of Directors is unable to recommend any dividend for the year.

Your Bank has a Board approved Dividend Distribution Policy which has been formulated in line with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and extant RBI Circulars / Directives. The Dividend Distribution Policy has been enclosed as Annexure J to the Directors' Report. The Policy has also been made available in the website of the Bank and can be accessed at https://www.lvbank.com/Policies.aspx

5. RIGHTS ISSUE 2017-18:

During the year 6,39,87,006 equity shares were allotted to eligible shareholders on Rights Basis in line with Chapter II (10) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. These shares were issued at a premium of ₹ 112/-to the face value of ₹ 10/-.

As on March 31, 2018, the post-issue paid-up capital of your Bank stood at ₹ 255,99,37,530 comprising 25,59,93,753 equity shares of ₹ 10 each.

6. STATEMENT OF DEVIATION OR VARIATION:

During the year, the Bank had allotted equity shares to eligible shareholders on Rights Basis on 03.01.2018. The issue was done in order to enhance the capital adequacy ratio in line with the RBI norms and the proceeds of the issue were used primarily to enhance the Bank's Capital Adequacy Ratio and to increase our capacity to lend and for general corporate purposes subject to compliance of applicable laws. There was no variation prompting disclosure under Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

7. EPS / BOOK VALUE:

Earnings per Share stood at ₹ (-)28.29 for the year ended 31st March, 2018 as compared to ₹ 14.07 as on 31st March, 2017. Book Value of the share, stood at ₹ 84.39 on 31st March, 2018 as compared to ₹ 102.74 as on 31st March, 2017.

8. NET OWNED FUNDS / CAPITAL ADEQUACY RATIO:

Net Owned Funds (NOF) of the Bank increased from ₹ 1,966.85 crores as at the end of FY 2017 to ₹ 2160.41 crores as at the end of FY 2018, reflecting a growth of 9.84%.

The Capital Adequacy Ratio (CAR) as on 31st March 2018 as per BASEL III is 9.81%. The Tier-I and Tier-II components of Capital Adequacy Ratio were maintained at 8.05% and 1.76% respectively.

It is heartening to mention that the rights issue had received overwhelming response and participation by the existing shareholders. The Bank is proposing to go in for raising of further capital to bolster Tier-I to take care of regulatory prescriptions as well as to fund planned growth for at least the next two years.

9. STRATEGY OF IND-AS IMPLEMENTATION:

Ministry of Corporate Affairs (the "MCA") had given a roadmap on convergence to Ind AS by banks mandating them to adopt Ind AS from April 1, 2018. Consequently opening balance sheet was required to be drawn as on April 1, 2018.

Progressing towards Ind AS, Bank has prepared the Proforma Statement (Unaudited) for the half year ended 30.9.2016 and for the Quarter ended 30.6.2017 with the opening Balance Sheet as on 1.4.2017 as per extant regulatory guidelines as advised by RBI circular DBR.BP.BC.No.2535/21.07.001/2017-18 dated September 13, 2017 and submitted to RBI.

However, on April 05, 2018, Reserve Bank of India (RBI) has announced deferment of implementation of Indian Accounting Standards (Ind AS) by one year for scheduled commercial banks. Accordingly the FY 2019-20 would be the first year of Ind AS with FY 2018-19 as the comparative year. Bank is in the process of upgrading the Core Banking System and has initiated necessary steps for the preparation of financial statements as per Ind AS.

10. NON-PERFORMING ASSETS (NPA):

The Gross NPA of all the banks in the country has seen upward movement during the FY 17-18. The Indian Banks' Gross NPA/Bad loans stood at ₹ 10.25 lakh crores as on 31.03.18. This is 11.80% of the total loans given by the banking industry. During the FY2018, the total bad loans of scheduled banks rose substantially by ₹ 3.13 lakh crores. Both public and private sector banks have faced significant challenges from the bad loan.Our bank, despite accelerated efforts to maintain good health in the quality of the accounts could not control the addition of NPA during the FY 17-18 due to reasons beyond its control (i.e.,) the failure of majority of industries granted under infrastructure, Iron and steel, textiles, etc. The introduction of IBC (Insolvency and Bankruptcy Code) could not bring any drastic results as it is in its initial implementation stage.

With concerted efforts, substantial reduction in NPA of ₹ 862.Cr has been effected;while, the unprecedented slippage of standard assets to NPA has eclipsed the good recovery performance.

The Bank has intensified recovery efforts and these are expected to result in significant improvement in the NPA ratios during the year. Initiatives include disposal of secured assets under SARFAESI/DRT, enforcement of favourable decrees as well as sale of assets to ARCs. In this connection, the Bank has seen considerable interest to purchase such stressed assets, from various interested entities and with these efforts bank is hopeful of significant achievement in reduction of NPA.

11. BRANCH AND ATM NETWORK:

The Bank had obtained license to open 75 new branches (69 General Banking Branches and 6 Commercial Banking Branches) during 2017-18 to extend its reach and opened 67 branches during the year including 2 personal Banking (one in Chennai and the other in Bangalore) and 6 commercial banking branches. The Bank's network spread as on 31st March 2018 stood at 548 branches with 540 General Banking branches, 7 Commercial Banking Branches, 1 Satellite branch and 7 extension counters with its presence spread across 18 states and the union territory of Puducherry. The Bank has added 62 new ATMs during the Fiscal 2017-18 and the ATM network stood at 1020 which includes 596 Offsite ATMs.

The Bank's augmented Branch and ATM network continues to provide quality banking and financial services to its customers. The Bank continues to focus on providing fine banking &financial services to all its customers.

12. FINANCIAL INCLUSION:

Financial Inclusion is the delivery of banking services at an affordable cost to the vast sections of disadvantaged, low income groups and providing timely and adequate credit where needed. The essence of financial Inclusion is to ensure that a range of appropriate basic financial services are made available to every individual, enabling them to understand and access those services. Pradhan Mantri Jan Dhan Yojana (PMJDY) project ensure to open at least one bank account to every family/household and issuing of personalized Rupay Debit cards. Rupay debit cards have in-built accidental insurance coverage.

The bank has implemented the financial inclusion plan in 363 Villages & wards allotted by SLBC in Tamilnadu. The Bank has opened 1,84,018 Basic Savings Bank Deposit Accounts (BSBDA) including 85,555 accounts under PMJDY, as on March 31, 2018.

13. INTERNATIONAL BUSINESS:

During financial year 2017-18, the rupee marginally depreciated by 0.5%, against a 2.1% gain in previous fiscal year on account of rising twin deficit. Rupee remained largely stable in comparison to other Asian currencies amid global recovery. Sovereign credit rating upgrade by Moody's from Baa3 to Baa2, recovery of economic growth in second half of the year and record high RBI foreign exchange reserves of USD 424 Billion contributed to a stable rupee for most part of the year. U.S Federal Reserve continued to remain on tightening path by increasing interest rates thrice during the financial year with better than expected U.S.economic growth and rising inflation. The Bank of England increased its interest rates for the first time since 2008.

In the reporting financial year, the Bank has made a substantial growth in the foreign exchange turn over and achieved ₹ 11,192.64 Crores as against ₹ 6416.29 Crores in the previous year and is geared for a higher growth.

14. LIABILITIES PRODUCTS:

The liabilities business continued its growth trajectory in FY18.

- The Bank ended FY18 with total deposits of INR 33,309 Crores.
- Current and Savings Account (CASA) balances registered a y-o-y growth of 20%.
- The growth of CASA on a cumulative daily average balance (CDAB) basis was 23%. CASA as a part of total deposits grew to 21%, in line with the Bank's objectives for the business.

PERSONAL BANKING AND BUSINESS BANKING:

- The Bank continued with the strategy of expanding the CROWN and NR franchise.
- A team of Relationship Managers acquire new CROWN relationships and work with our existing CROWN customers, to evolve as their preferred financial partner.
- The LVB CROWN SERVICES segment of customers accounted for a Savings Bank book of INR 668 Crores, a y-o-y growth of 81%.
- To enable non-resident customer to open accounts when they are overseas, the Bank has introduced "Virtual Relationship Manager", and more importantly, pick up of Account Opening Forms and documents through DHL, absolutely free of cost.
- The NR book has grown impressively by 76% y-o-y.
- The Bank has continued to customize products and services to address banking requirements of various segments. Accordingly, 15 new and revamped products in Current and Savings Accounts have been launched, with bespoke benefits.
- LVB Vyapaar, launched towards the end of FY17 contributed handsomely with fee income as well as a growing Current Account book.

15. LISTING AGREEMENT WITH STOCK EXCHANGES:

The Equity Shares of the Bank are listed with the National Stock Exchange of India Ltd, Mumbai and BSE Ltd,Mumbai which is enhancing the liquidity of your equity shares.

16. ALIGNING TECHNOLOGY WITH BUSINESS OBJECTIVE

During the financial year 2017-18, your bank had implemented the following digital initiatives:

Your Bank had introduced various digital features and services to serve you better. Bharat - QR, Card Management and Card Less Cash withdrawal features were enabled in mobile banking. Customers can now scan the QR at the merchant location and make payment instantly without need for swiping his/her debit card. The card management feature can be used for locking/unlocking the cards temporarily, manage the card limits for cash withdrawal, e-commerce and POS, set the Green Pin, change the debit card PIN. This is in addition to the card hot-listing feature already available in mobile banking.

Further to meet the ad-hoc cash requirements of customers, card-less cash feature is enabled through IMT (Instant Money Transfer). The customer can initiate cash payment to any other beneficiary in India using the mobile number. The beneficiary can use the secured credentials shared to him directly by the sender and also one received by him on his phone number to withdraw cash from any of IMT enabled ATMs including your Bank's ATMs.

This year your Bank had launched UPI (Unified Payment Interface) application - LVB Upaay in IOS in addition to Android platform launched during last year. USSD 2.0 services are enabled for customers, wherein the customers can inquire the balance, carry out fund transfer by dialing *99#.

New version of Information Kiosk had been launched by your Bank with enhanced user experience which facilitates customers to recharge mobile, DTH, block debit cards, set Green Pin for debit card, cheque status inquiry including the stop payment, various intra and interbank fund transfer options, along with other options to inquire the account balances, account statement, last 10 transactions etc.

Now retail internet banking users are empowered to set and manage the limits for financial transactions and also set the limit for beneficiaries added by them. In addition to the above, 'Aadhaar Seeding' feature is enabled in retail internet banking.

17. WEALTH MANAGEMENT / PARABANKING ACTIVITIES:

Life Insurance:

Bank has entered strategic alliance with three leading Life Insurance companies in the country, Max Life Insurance, Birla Sun Life Insurance and DHFL Pramerica Life Insurance Company Ltd to offer life insurance cover to the valued customers of the Bank. The products offered to our clients are more diversified and tailor made to meet their requirements.

During the financial year 2017-18, the Bank has insured 9077 lives and grown by 54% and the premium collection has increased from ₹ 28.41 Crs to ₹ 38.07 Crs, registering Y-o-Y growth of 34%.

General Insurance:

Bank has tied up with Future Generali General Insurance Company Ltd to offer non-life insurance products to the various customer segments. During the year,the Bank collected the general insurance premium of ₹ 17.68 Crs while coveringthe assets of our customers.

Health Insurance:

The Bank has tied up with M/s. Cigna TTK Standalone Health Insurance Company Ltd to offer health insurance products to the customers; The Bank collected health insurance premium of ₹ 5.75 Crs during the year and covered 4721 customers.

Wealth Management:

1. FISDOM - Bank has tied up with M/s. Finwizard Technology Pvt Ltd (widely known as FISDOM) to offer mobile based wealth management services to our customers.
   - Fisdom enables end-to-end digital transactions for mutual funds and this is first time in India.
   - Our customers can invest in equity, debt and liquid instruments, through Fisdom, of almost all leading AMCs.
   - The Bank has acquired 12500 clients with AUM of ₹ 35 Cr
   - The monthly SIP book stood at ₹ 2 Cr.
   - Bank has explored NPS enrollment option in Fisdom App, interested customer can enroll into NPS in fully digital platform and generate the PRAN instantly.
2. The Bank tied up with M/s. Centrum Wealth Management Limited (CWML) offering end to end wealth solution to our Ultra HNI clients, CWML is an established player in the market with AUM of INR 10,000Cr and expertise in area of complete Private Banking.

18. RISK:

The objective of risk management of the Bank is to achieve optimum return while operating within acceptable level of risk appetite. The Bank has an independent risk management function which is tasked with managing risk through policies and processes approved by the Board of Directors. These encompass identification, measurement and management or risks across the various businesses of the Bank. The risk management function in the Bank strives to scientifically study vulnerabilities of process across business portfolios through quantitative or qualitative examination of the embedded risks and controls. The function continues to focus on refining and improving its risk management systems through automation of processes and building and strengthening controls.

The Bank has in place a Risk Management Committee of the Board of Directors. The Bank has formulated and adopted a robust risk management framework. The Bank has in place committees such as Credit Risk Management Committee (CRMC), Asset Liabilities Committee (ALCO), Operational Risk Management Committee (ORMC), Business Continuity Management Committee (BCMC), Information Systems and Steering Committee (ISSC). These committees meet frequently and discuss risk related issues arising from businesses and processes and have active participation from Top Management of the Bank.

The overall risk appetite and risk philosophy of the Bank is articulated by the Management to the Risk Management Committee and Board of Directors. The risk appetite framework provides guidance to the management on the permitted levels of exposure to various businesses and maps to the business strategy of the Bank. Further the Internal Capital Adequacy Assessment Process (ICAAP) of the Bank assesses all the significant risks associated with various businesses and projects the requirement of capital. The independent risk management structure within the Bank is responsible for managing the credit risk, market risk, liquidity risk, operational risk, other Pillar II risks like reputation risk and strategic risks and exercising oversight on risks associated with outsourcing. The Bank has in place well-defined policies appropriate for the various risks, viz. credit risk, market risk, operational risk, liquidity risk, counterparty risk, country risk, reputational risk, strategic risk and outsourcing risk. These are reviewed periodically in order to benefit from internal and external experience. IT and cyber risk has assumed significance in keeping with the rising risk in these areas and to keep pace with regulatory advisories.

19. INTERNAL CONTROLS:

The Bank has an independent Audit and Inspection Department, which subjects all the branches of the Bank besides the Treasury, Currency Chests, Service Branches, Regional Offices and every department of the Corporate Office, to regular inspection. The Bank also carries out regular IS audits covering application systems and processes in business units.

Key areas including Treasury, centralized operations departments and a large number of branches are under concurrent audit. Concurrent audit is carried out by qualified external auditors and meets requirements of Risk Based Supervision. In addition, the Bank also carries out thematic audits in selected businesses from time to time.

The Audit Committee of the Board constituted in line with RBI guidelines and as per the requirements of SEBI Regulationsreviews the adequacy of the audit and compliance functions, including the policies, procedures and techniques. The Composition of Audit Committee of the Board is provided elsewhere in the report.

During the year, there were no instances wherein the Board has not accepted the recommendations of the Audit Committee of the Board.

20. HUMAN RESOURCES:

The staff strength of the Bank was increased from 4043 as on 31.03.2017 to 4623 as on 31.03.2018 to cater to the manpower requirement on account of branch expansion and business growth. Further, 504 Sales Personnel were also engaged to boost sales.

The Bank's focus on training human resources on a continual basis gained momentum by conducting online e-learning, duly leveraging technology. The Bank has trained a considerable number of resources in offsite training programmes conducted by reputed institutions such as RBI, CAB, SIBSTC, IIBF, NIBM & FEDAI. Further, the Bank has entered into a strategic training collaboration with M/s. Manipal Global Academy of BFSI and launched "Mission Enlighten" which shall facilitate in bridging the skill gap and developing the internal talent pool.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE BANK:

Disclosure under Section 186 of the Companies Act, 2013 does not apply to Banking Company.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

There were no related party transactions during the year under review and Form AOC-2 is not applicable to the Bank. During the FY 2017-18, the Bank did not have any Material Related Party Transaction.

The Bank has an approved policy on Related Party Transactions, which has been disclosed on the website and can be viewed at https://www.lvbank.com/Policies.aspx.

23. OUTLOOK 2018-19:

The expected growth in Global economy could provide an impetus to India's exports. The various favourable indicators such as moderate levels of inflation, anticipated growth in the industrial sector, expectation of greater stability in GST, much awaited recovery in investment levels and ongoing structural reforms could propel India's economy to grow at an accelerated pace. However, the country's growth could be impacted by the increase in crude oil prices along with the protectionist tendencies in some countries. The outlook from the recently tabled Economic Survey depicts a positive trend for the economy in the long term, which forecasts India to be the world's fastest growing large economy in the next 10 years.

Growth:

Going forward, economic activity is expected to gather pace in 2018-19, benefitting from a conducive domestic and global environment. First, the teething troubles relating to implementation of the GST are receding. Second, credit off-take has improved in the recent period and is becoming increasingly broad-based, which portends well for the manufacturing sector and new investment activity. Third, large resource mobilisation from the primary market could strengthen investment activity further in the period ahead. Fourth, the process of recapitalisation of public sector banks and resolution of distressed assets under the Insolvency and Bankruptcy Code (IBC) may improve the business and investment environment. Fifth, global trade growth has accelerated, which should encourage exports. Sixth, the thrust on rural and infrastructure sectors in the Union Budget could rejuvenate rural demand and also crowd in private investment.

India's GDP growth saw a temporary dip in the last two quarters of 2016-17 and in the first quarter of 2017-18 due to demonetization and disruptions surrounding the initial teething trouble in implementation of GST. The Indian economy is set to revert to its growth trend in the coming years and growth is expected to firm up in 2018-19 on the back of higher private consumption and improvement in investment.

Output:

- Real Gross Domestic Product (GDP) is likely to grow by 6.6 per cent in 2017-18 and may accelerate by 70 basis points (bps) in 2018-19 to 7.3% on the back of support from private consumption and investment.
- Real Gross Value Added (GVA) is expected to grow by 7.1 per cent in 2018-19, supported by activity in the industry and services sectors.

Inflation:

Headline Consumer Price Index (CPI) inflation is expected to increase till Q1:2018-19 and thereafter remain below 5% till Q4:2018-19 Forecasters have assigned the highest probability of CPI inflation being in the range 4.5-4.9% in March 2019.

Exports and imports:

The volume of merchandise exports is forecast to rise by 9.4% in 2018-19, slightly more than the rate of growth in the previous year. The volume of imports, on the other hand, is expected to drop sharply. If lower imports help in increasing domestic production, that will be a positive.

Current account deficit:

The Current Account Deficit (CAD) is expected at 1.9% of GDP in 2017-18 and is likely to increase by 20 bps to 2.1% of GDP in 2018-19.

The banking sector:

The banking sector has been experiencing high balance sheet stress with the corporate debt overhang and associated banking sector credit quality concerns. The implementation of the new Insolvency and Bankruptcy Code is an important step towards improving the credit behaviour.

Recapitalization of the Public Sector Banks will improve the banking sector's ability to support growth, have the potential to ease stress on the banking sector and reinvigorate bank credit.

Reserve Bank of India (RBI) has deferred the implementation of Indian Accounting Standards (Ind AS) by one year for Scheduled Commercial Banks i.e. 2019-20 would be the first year of Ind AS with 2018-19 as the comparative year. This will provide time for the banks to improve their preparedness on technical and operational side requirements, for the smooth implementation of Ind As.

24. CORPORATE GOVERNANCE:

Corporate Governance of the Bank continues to rest on the fundamental pillar of high ethical values, designed to enhance and protect the interests of all the stakeholders. The Bank has complied with the Corporate Governance provisions as specified in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. In addition to complying with the mandatory requirements, the Bank is also complying with having separate offices of the Chairman and Chief Executive Officer, which is a discretionary requirement under the Regulations. However, the same is also in compliance with the RBI directive. Further, all the Directors on the Board have executed deed of covenant and undertaking individually in line with the recommendations of Dr. Ganguly Committee Report.

Pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis is presented in Annexure-A and Report on Board Committees is furnished in Annexure-B. Composition of the Board of Directors together with the attendance of Directors at various meetings of the Board, its Committees and Annual General Meeting and the number of directorships held by them alongwith the details of Audit Committee and Stakeholders Relationship Committee are furnished in Annexure-C, including composition of the Audit Committee. General Shareholders' information is furnished in Annexure-D.

25. NUMBER OF MEETINGS OF THE BOARD:

During the financial year, the Board met 16 times. The Board meetings were held in accordance with the provisions of the Companies Act, 2013. The details of the meetings held are provided in the Corporate Governance Report that forms part of this Annual Report.

26. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

According to the Articles of Association of our Bank, the number of Directors of the Bank shall not be less than three and more than fifteen and not less than fifty-one percent of the total number of Directors shall be persons who satisfy the requirements of Section10A of the Banking Regulation Act. The process of Due Diligence is undertaken in compliance of Directives/Guidelines/Circulars issued by RBI from time to time in the matter of appointment/re-appointment of Director. The Non-Executive Chairman of the Bank and the Managing Director of the Bank are appointed with prior approval of the RBI. Based on the vacancies that may arise in the Board from time to time, the Board follows a due process of appointment of directors through prior due diligence in line with the regulatory advice given by RBI, SEBI and MCA by way of Circulars / Guidelines / Regulations / enactments. The Nomination, Remuneration and Compensation Committee of the Board have formulated criteria for evaluation for the appointment or re-appointment of directors

including Independent Directors. The Managing Director &CEO of the Bank is paid remuneration as approved by the RBI but is not paid any sitting fees. The Non-Executive Chairman of the Bank is paid honorarium as approved by the RBI along with sitting fees paid for attending Board/Board Committee meetings. Other than the MD&CEO and Part-time Chairman, no other directors are paid any remuneration/honorarium apart from sitting fees for attending Board and Board Committee Meetings. The details of remuneration of the MD&CEO and that of the sitting fees paid to the other directors are available elsewhere in the report. The Senior Management and the other KMPs of the Bank along with other employees are paid remuneration based on internal HR policies of the Bank. The senior management of the Bank along with the KMPs abide by the Code of Conduct prescribed by the Bank. The code of conduct has been disclosed at the Bank's website and can be viewed at http://www.lvbank.com/UserFiles/CODEOFCONDUCT.pdf. For the FY 2017-18, the MD&CEO, ED&CFO (employed till 21.10.2017) and Company Secretary are the Key Managerial Personnel (KMPs) of the Bank, as stipulated by the Companies Act, 2013. As on 31.03.2018, other than the MD&CEO there are no other Whole Time Directors in the bank.

27. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has duly obtained necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013 that he/she meets the Criteria of Independence as laid down in the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Company has also obtained the 'Fit and Proper' declaration as prescribed by the Reserve Bank of India.

28. BOARD EVALUATION:

The performance of the Board as a whole and that of the individual Directors and of various Committees of the Board were evaluated based on the 'Criteria for evaluation of Independent Directors and the Board' as formulated by the Nomination, Remuneration and Compensation Committee of the Board. The Board had already taken note of the evaluation made by the Independent Directors on the Board at their meeting held on 27.03.2018. During the evaluation, the Independent Directors had noted that the performance of the Non-Executive Chairman of the Board, the Non-Independent Directors and the Board as a whole was found to be satisfactory.

Based on the inputs received from the evaluation conducted by the Independent Directors and also considering certain specific criteria depending on the role of the director/committee in the Bank and the criteria for evaluation framed by the Nomination, Remuneration and Compensation Committee of the Board, the subject of Board Evaluation consisted of the following:

1. Evaluation of Board as a whole.
2. Evaluation of Board Committees.
3. Evaluation of Individual Directors of the Board.
    - Evaluation of Managing Director.
    - Evaluation of Non-Independent Directors.
    - Evaluation of Independent Directors

While evaluating the performance of the Board, Board Committees and Individual Directors, the Directors considered various parameters including those formulated by the Nomination, Remuneration and Compensation Committee of the Board and the Guidance Note on Board Evaluation prescribed by SEBI. Some of the factors considered include the Structure of the Board, the mix of qualification, the functions of the Board, etc. Being governed by the Banking Regulation Act, 1949, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, the mandatory Committees of the Board have been entrusted with specific roles and responsibilities under the relevant regulatory provisions. Besides the mandatory Committees as prescribed by the regulators, the Board has separately constituted certain Committees with specific reasons viz., the HR Committee of the Board and the Capital Raising Committee of the Board.

The evaluation of Board Committees was done taking into account their mandate, composition, frequency of their meetings, independence of the Committees from the Board, contribution of the Committees to the decisions of the Board through recommendations and to the Management through decisions, etc. The Managing Director & CEO of the Bank was evaluated based on the Business targets set and the Bank's overall performance during the year, managing and executing the Board approved business plans, operational plans, risk management, and financial affairs of the organization; ensuring proper coordination between the Board and the Senior Management; Motivating employees and resolving major employee related issues, thus maintaining a healthy work environment; Ensuring strict monitoring of the internal control processes.

The Non-Executive Directors (both Independent and Non-Independent) of the Bank were evaluated based on their attendance and active participation in the Board and Committee meetings, openness to new ideas and ability to challenge old practices and throwing up new ideas for discussion; Coordination and rapport with the fellow Board Members; the positive contribution of the individual Directors who come from a professional background and the quality of suggestions and guidance given by them through their

participation in the meetings with an understanding of the business of the Bank and an understanding of their role and responsibilities and the overall effectiveness; the broad based discussions at Board/Committee Meetings, the understanding of the regulatory requirements; remaining abreast of various developments in the Indian banking arena and keeping up with the various modifications / re-enactments of statutory enactments applicable to the Bank like the Companies Act, SEBI Regulations and the Banking Regulation Act, 1949; approach towards conflicts resolution and their contribution in enhancing the Board's overall effectiveness and integrity and maintaining of confidentiality.

The Independent Directors of the Bank were also provided a familiarization program about the bank and their ability to bring in an independent judgment to the issues handled by the Board without getting influenced otherwise. The evaluation with respect to individual non-executive directors revolved around various factors as mentioned above and it was ensured that the Board members evaluated their fellow member Directors in the absence of the Director being evaluated.

29. CHANGES IN THE BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

Resignations/Cessation of tenure of appointment:

- Shri N.S. Venkatesh, Executive Director and Chief Financial Officer of the Bank resigned with effect from 21.10.2017 after serving on the Board of the Bank for a period of 1 year and 3 months.
- Shri S G Prabhakaran retired from the Board on 06.06.2018 as per the provisions of Section 10A (2A) of the Banking Regulation Act, 1949 after serving on the Board continuously for a period of eight years.
- Shri Pankaj Vaish vacated his office by operation of law on 18.07.2017 pursuant to the provisions of Section 161 of the Companies Act, 2013 after serving in the Board for around 10 months in the current tenure of appointment.
- Shri Prakash P Mallya vacated his office by operation of law on 18.07.2017 pursuant to the provisions of Section 161 of the Companies Act, 2013 after serving in the Board for around 10 months in the current tenure of appointment.
- During the year, Smt. E V Sumithasri retired from the Board on 03.09.2017 after completing the tenure of appointment approved by the shareholders. After her retirement, she was re-appointed by the Board as Additional Director (Non-Executive and Independent) on 27.09.2017. However, she resigned from the Board with effect from 30.03.2018 after serving on the Board for around 6 months in the present term.
- During the year, Shri S Dattathreyan retired from the Board on 26.09.2017 after completing the tenure of appointment approved by the shareholders. After his retirement, he was re-appointed by the Board as Additional Director (Non-Executive and Independent) on 27.09.2017. However, he retired from the Board on 07.03.2018 as per the provisions of Section 10A (2A) of the Banking Regulation Act, 1949 after serving on the Board continuously for a period of eight years.

Appointments:

- Shri G Sudhakara Gupta was appointed as an Additional Director on 27.09.2017 pursuant to the provisions of Section 161 of the Companies Act, 2013 and classified as Non-Executive and Non-Independent Director in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and representing Business under minority sector as per Banking Regulation Act, 1949.
- Shri H S Upendra Kamath was appointed as an Additional Director on 20.04.2018 pursuant to the provisions of Section 149 (4) and Section 161 of the Companies Act, 2013 and classified under Independent category in terms of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and representing Banking (Practical Experience) and Small Scale Industry (Special Knowledge) under majority sector as per Banking Regulation Act, 1949.
- During the year, the tenure of appointment of Shri Suvendu Pati was extended by RBI for a period of two years from February 12, 2018 to February 11, 2020 or till further orders, whichever is earlier.

Re-appointment of Director retiring by rotation:

Smt Anuradha Pradeep, Director, will be retiring by rotation at the ensuing 91st Annual General Meeting and being eligible, offers herself for re-appointment.

Key Managerial Personnel

- Shri N S Venkatesh, who took charge as the Executive Director of the Bank on 01.07.2016, was additionally designated as the Chief Financial Officer of the Bank with effect from 26.12.2016, in addition to the responsibilities as Executive Director of the Bank, resigned with effect from 21.10.2017 after serving as Chief Financial Officer for about 10 months.
- Shri S Sundar took charge as the Chief Financial Officer of the Bank with effect from 27.04.2018.

Apart from the above, there were no changes in the Key Managerial Personnel during the year.

30. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SEC 134(3)(C) OF COMPANIES ACT, 2013:

The Board of Directors of your Bank confirms that in the preparation of the annual accounts for the year ended March 31, 2018:

- The applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates thatare reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of applicable laws governing banks in India for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors had prepared the annual accounts on a going concern basis;
- The Directors had laid down internal financial controls to be followed by the company and that such internal financial controlsare adequate and were operating effectively; and
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

31. SOCIAL INITIATIVES 2017-2018:

Your Bank as a responsible corporate citizen has been supporting various philanthropic activities by donating such initiatives to the tune of ₹ 15.56 Lacs. Further, your bank has also taken several initiatives in the area of CSR.

Corporate Social Responsibility (CSR)

In accordance with the directives of Government of India, Bank is required to spend 2% of the average net profit of the last 3 Financial Years or any part thereof on CSR activities. The Bank has disclosed its CSR policy in the website and the same can be viewed at www.lvbank.com/download/Corporate_Social_Responsibility_policy.pdf. The Annual Report on the CSR activities undertaken during the year as per the format specified by the Ministry of Corporate Affairs is forming part of this Report and is annexed to this Report as Annexure E.

32. BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report prepared in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been made available on the Bank's website at https://www.lvbank.com/BusinessResponsibilityReport.aspx

33. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 134(3)(a) of the Companies Act, 2013, the extract of Annual Return in Form MGT 9 is appended to this Annual Report as Annexure F and a copy of the same will be made available in the website of the bank and can be accessed at www.lvbank.com.

34. STATEMENT ON COMPLIANCE TO APPLICABLE SECRETARIAL STANDARDS

The Bank has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

35. PARTICULARS OF EMPLOYEES:

The disclosures pursuant to the provisions (as amended) of Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the disclosures pursuant to the provisions of Section 197 (12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as Annexure-G.

36. EMPLOYEES STOCK OPTION SCHEME:

In the year 2010, the shareholders of the Bank have approved the issue of shares through Stock Option Scheme (ESOS 2010). During FY 17-18, total of 5,60,000 options were exercised by the Managing Director, Former Executive Director and Chief Risk Officer out of the grants made under ESOS 2010. In the year 2017, the shareholders of the Bank have approved the issue of shares through Employees Stock Option Scheme 2017 (ESOS - 2017). The implementation of both the said schemes is in accordance with the applicable SEBI Regulations.

All the options granted so far have been under ESOS 2010 and no options have been granted under ESOS 2017 till date. There is no material changes made in the schemes during the year and all the schemes are in compliance of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Statutory disclosures regarding ESOS have been furnished in Annexure H to the report and can be viewed at www.lvbank.com/annualreport.aspx.

37. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(1) (m) of the Companies Act, 2013 and the applicable rule under the Companies (Accounts) Rules,2014 relating to conservation of energy and technology absorption do not apply to your Bank. The Bank has, however, used Information Technology extensively in its operations. The Bank continues to encourage the country's exports and will endeavor to enlarge its export financing.

38. DETAILS OF MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE BANK WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE BANK TO WHICH THE FINANCIALSTATEMENT RELATE AND THE DATE OF THE REPORT.

Attention is invited to Note 8 of Notes to Accounts (Schedule 18) for the year ended 31st March 2018:

In the audited financial statement, it has been reported that the advances of the bank (net of provisions) was ₹ 25,768 crore after the adjustment of third party deposits amounting ₹ 794 crore. The said deposits relate to M/s. Religare Finvest Ltd and the same were held as security for the loans extended to M/s. RHC Holding Pvt. Ltd & M/s. RanchemPvt Ltd. On account of default in clearing the loans, the said deposits were closed and the proceeds were adjusted to clear the said loans. As per legal opinion received by the bank, the adjustment of deposits against loans is lawful. Now, M/s. Religare Finvest Ltd has filed a suit in CS.(COMM).940/2018 against our Janpath Branch before the Hon'ble High Court Delhi, disputing the said adjustment and the same is being defended appropriately by the bank.

Apart from the above, no further material changes have occurred between the end of the financial year to which the financial statements relate and the date of the report. Further to SEBI regulations, the Bank is already making disclosures which are material in nature, on an ongoing basis.

39. DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED, IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE BY REGULATORS OR COURTS OR TRIBUNALS

During the year under review no significant or material orders were passed by any regulators or courts or tribunals against the Bank other than those disclosed separately in the financial statements, Directors Report and in the Corporate Governance Report.

40. OTHER PENALTIES IMPOSED BY REGULATORS:

- The Bank was imposed a penalty of ₹ 74,500.00 on Specified Bank Notes (SBN) currency remittances made to RBI by our Currency Chests for defective/counterfeit currency detected (₹ 1,000/-, ₹ 5,000/- & ₹ 68,500/- paid by our Vijayawada, Chennai and Salem currency chests respectively).
- The Bank was imposed a penalty of ₹ 89,000.00 on Specified Bank Notes (SBN) currency remittances made to RBI by our Ahmedabad Branch and Janpath Branch, Delhi for defective/counterfeit currency detected (₹ 31,000/- & ₹ 58,000/- respectively).
- The Bank was imposed a penalty of ₹ 13,830 by Clearing Corporation of India Limited ("CCIL") towards two instances of intra-day shortfall in maintenance of margin requirement in Security Guarantee Fund (SGF) deals on 22.09.2017 and 27.09.2017. The margin requirements were immediately replenished on the same date, however CCIL has charged a penal amount on technical ground for the shortfall on 27.09.2017.

41. NUMBER OF CASES FILED, IF ANY AND THEIR DISPOSAL UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto, as sexual harassment results in violation of the fundamental rights of a woman to equality under Articles 14 and 15 of the Constitution of India and her right to life and to live with dignity under Article 21 of the Constitution and right to practice any profession or to carry on any occupation, which includes a right to a safe environment free from sexual harassment, a well-defined policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been adopted in the bank. The complaints registered under the Act, on actions covered under the ambit of Sexual Harassment at work place are handled by a committee represented by Senior Executives of the Bank, a lady Law Officer and an external member. Redressal of such complaints are dealt in a prudent manner, giving equal opportunity to both the aggrieved and the accused for representation of the case and without affecting the dignity and self-esteem of the women employee (permanent, contractual, temporary, trainee).

Number of complaints pending as on the beginning of the financial year - Nil

Number of complaints filed during the financial year - 2

Number of complaints pending as on the end of the financial year - Nil

42. VIGIL MECHANISM:

Disclosure of information in the public interest by the employees of an organization is increasingly gaining acceptance by public bodies for ensuring better governance standards and probity in the conduct of affairs. Large scale corporate frauds had necessitated, internationally, various legislative measures for safeguarding public interest through enactments.

As a proactive measure for strengthening financial stability and with a view to enhance public confidence in the robustness of the financial sector, RBI has formulated a scheme called "Protected disclosures scheme for private sector and foreign banks".

In the above perspective, our Bank has formulated and implemented a "Whistle Blower Policy" which is made available in the Bank's Website and local intranet. During the year 2017-18, no personnel has been denied access to the Audit Committee. The Web link thereto is https://www.lvbank.com/UserFiles/File/WhistleBlowerPolicy_2015.pdf.

43. FAMILIARISATION PROGRAMME:

Pursuant to the Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank has to conduct a familiarization programme for newly inducted Independent Directors and the Bank has done accordingly. In compliance with Regulation 46 (2) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of the familiarisation programme conducted are disclosed in the website of the Bank and can be viewed at http://www.lvbank.com/Independent_Directors-TnC.aspx.

44. CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS IN SECURITIES OF THE LAKSHMI VILAS BANK LIMITED

The Bank has formulated a Code of Conduct pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 to regulate,monitor and ensure reporting of trading by the employees and other connected persons towards achieving compliance with the SEBI Regulations and is designed to maintain highest ethical standards of dealing in securities of the Bank by persons to whom it is applicable. The code of conduct and related policy are available in the Bank's website and can be viewed at http://www.lvbank.com/Insider_Trading.aspx

45. AUDITORS:

Statutory Auditors:

The Statutory audit of the Bank was carried out by M/s. R. K. Kumar & Co, Chartered Accountants, Chennai whose report is annexed and forms part of this report. The Statutory Central and Branch Auditors have audited all the branches and other offices of the Bank.

The qualified opinion of the Statutory Auditors together with the basis and our response to the same are furnished hereunder:

Observation:

Basis for Qualified Opinion

* The financial statements of the bank include Advances (net of provisions) of ₹ 25768 crore after adjustment of third party deposits amounting to ₹ 794 crore, duly supported by legal opinions. The said adjustment is being questioned by the deposit holder. Pending resolution of the same, we are unable to comment on the impact, if any on the financial statements and legal/regulatory consequences.
* The series of transactions leading to the above adjustment has resulted in shortfall in CRR maintenance. Penal consequences if any, thereon is not ascertainable.

Qualified Opinion

* In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 in the manner so required for banking companies and give a true and fair view in conformity with accounting principles generally accepted in India of the state of affairs of the Bank, as at 31st March 2018 and its loss and its cash flows for the year then ended.

Response:

In the audited financial statement, the advances of the bank (net of provisions) is shown at ₹ 25,768.20 crores after the adjustment of loans against third party deposits amounting ₹ 794.00 crores. The said deposits relate to M/s. Religare Finvest Ltd and the same were held as security for the loans extended to M/s. RHC Holding Pvt. Ltd & M/s. Ranchem Pvt Ltd. Over the last year, the Bank had continuously pursued with the depositor and borrowers for regularization of the loans resulting in some iterations in the deposits and loans.

Eventually, on account of continuing default in clearing the loans, the said deposits were closed and the proceeds were adjusted to clear the said loans. As per legal opinion received by the bank, the adjustment of deposits against the loans is lawful. M/s. Religare Finvest Ltd has filed a suit in the last week of May 2018 in CS.(COMM).940/2018 against the bank before the Hon'ble

High Court, Delhi, disputing the said adjustment and the same is being defended appropriately by the bank and based on the legal advice the bank believes that no loss will arise on this score.

On account of the iterations in the deposits and loans, mentioned above, there arose a small resultant shortfall in the maintenance of CRR for a short period. The Bank has already notified RBI of the shortfall in CRR maintenance and has also provided ₹ 76.62 lakhs towards interest payable, if any for the shortfall. No regulatory proceedings are pending in this regard.

Quote: We draw attention to

(i) Note No. 3.3.6 of the financial statements, regarding deferment of provision for Mark to Market (MTM) losses on investment of ₹ 98.29 crores; and

(ii) Note No. 4.4.2 of the financial statements, regarding deferment of Gratuity provision of ₹ 11.27 crores

Our opinion is not qualified in respect of these matters.

Response:

(i) Note No:3.3.6. As permitted by RBI vide circular DBR.NO.BP.BC.102/21.04.048/2017-18 dated April 2, 2018, the bank has opted to spread the provisioning for mark to market (MTM) losses on investments held in AFS and HFT for the quarter ended March 31,2018 equally over four quarters. Accordingly, Bank has provided ₹ 32.76 crore for depreciation of the Investment portfolio for the quarter ended March 2018. The balance amounting to ₹ 98.29 crore will be provided in the ensuing three quarters.

(ii) Note No:4.4.2. As permitted by RBI vide DBR.BP.9730/21.04.018/2017-18 dated 27.04.2018, the bank has opted to spread the additional liability on account of the enhancement in Gratuity limits from ₹ 10 lakhs to ₹ 20 lakhs. Accordingly, Employee cost for the quarter ended 31st March 2018 includes the 1/4th of the impact amounting to ₹ 3.75 crore and unamortised portion of ₹ 11.27 crore as on 31st March 2018 will be equally spread over the next three quarters.

Secretarial Auditor

Pursuant to the provisions of Companies Act 2013, the Bank has appointed Mr. K. Muthusamy, Practicing Company Secretary, Coimbatore (CoP 3176) as the Secretarial Auditor for the FY 2017-18. The Secretarial Audit Report dated 14.06.2018 is annexed to this report as Annexure-I. There are no qualifications, reservation or adverse remark or disclaimer in the report.

46. ACKNOWLEDGMENTS:

Your Directors would like to thank the shareholders and customers for their continued goodwill and support. The Board also gratefully acknowledges the guidance and co-operation received from the Reserve Bank of India and other regulatory and government authorities like SEBI, NSE, BSE, NSDL, CDSL and Department of Income Tax.

Your Directors would also like to acknowledge the unstinted support provided by the Management and staff including the Employees' Union and Officers' Association and look forward to a more evolved relationship, as steps are taken to re-orient the bank for the future.

For and on behalf of the Board of Directors

B.K. Manjunath	Parthasarathi Mukherjee
Chairman of the Bank	Managing Director & CEO

Place : Chennai
Date : 26.06.2018

INDEPENDENT AUDITOR'S REPORT

To

The Members of The Lakshmi Vilas Bank Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of The Lakshmi Bank Limited ('the Bank'), which comprise the Balance Sheet as at 31 March 2018, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns for the year ended on that date of 21 branches/offices audited by us and 545 branches/offices audited by statutory branch auditors.

Management's Responsibility for the Financial Statements

2. The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time.

   This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. In conducting our audit we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the financial statements in accordance with Standards on Auditing ('the Standards') specified under section 143(10) of the Companies Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Bank's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

8. The financial statements of the bank include Advances (net of provisions) of ₹ 25,768 Crore after adjustment of third party deposits amounting to ₹ 794 Crore, duly supported by legal opinions. The said adjustment is being questioned by the deposit holder. Pending resolution of the same, we are unable to comment on the impact, if any on the financial statements and legal/ regulatory consequences.

9. The series of transactions leading to the above adjustment has resulted in shortfall in CRR maintenance. Penal consequences if any, thereon is not ascertainable.

Qualified Opinion

10. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' paragraph, the financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 in the manner so required for banking companies and give a true and fair view in conformity with accounting principles generally accepted in India of the state of affairs of the Bank, as at 31st March 2018 and its loss and its cash flows for the year then ended.

Emphasis of Matter

11. We draw attention to

    (i) Note No. 3.3.6 of the financial statements, regarding deferment of provision for Mark to Market (MTM) losses on Investments of ₹ 98.29 Crore; and

    (ii) Note No. 4.4.2 of the financial statements, regarding deferment of Gratuity provision of ₹ 11.27 Crore;

    Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

12. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

13. As required by sub section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:

    (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit except for the matter described in the 'Basis for Qualified Opinion' paragraph and have found them to be satisfactory;

    (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;

    (c) the returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

14. Further, as required by Section 143(3) of the Act, we report that:

    (i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit except for the matter described in the 'Basis for Qualified Opinion' paragraph;

    (ii) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

    (iii) the reports on the accounts of the branches audited by branch auditors of the Bank under Section 143(8) of the Companies Act 2013 have been sent to us and have been properly dealt with by us in preparing this report;

    (iv) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;

    (v) Except for the possible effects of matter described in the 'Basis for Qualified Opinion' paragraph, in our opinion, the financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting policies prescribed by RBI;

    (vi) on the basis of written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

    (vii) with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and

(viii) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. the Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Schedule 18 - Note No. 7 to the financial statements;

b. the Bank does not have any long term contracts including derivative contracts - Refer Schedule 18 - Note No. 3.3 to the financial statements; and

c. there has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Bank.

For **M/s. R. K. KUMAR & CO.**
Chartered Accountants
FRN - 001595S

(G. NAGANATHAN)
Partner
M.No. 022456

Place : Chennai
Date : 25th May, 2018

Annexure A to the independent auditors' report of even date on the financial statements of The Lakshmi Vilas Bank Limited

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

1. We have audited the internal financial controls over financial reporting of The Lakshmi Vilas Bank Limited ('the Bank') as at 31st March 2018 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls over Financial Reporting

2. The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI')".

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI and the Standards on Auditing ('the Standards'), prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting

6. A bank's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A bank's internal financial control over financial reporting includes those policies and procedures that:

   (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank;

   (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the bank are being made only in accordance with authorizations of management and directors of the bank; and

   (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material mis-statements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2018, based on the internal controls criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **M/s. R. K. KUMAR & CO.**
Chartered Accountants
FRN - 001595S

(G. NAGANATHAN)
Partner
M.No. 022456

Place : Chennai
Date : 25th May, 2018

LAKSHMI VILAS BANK

BALANCE SHEET as on 31st March 2018

(₹ 000's)

	Schedule	As at 31-03-2018	As at 31-03-2017
I. CAPITAL & LIABILITIES			
a. Capital	1	**255,99,38**	191,44,67
b. Reserves & Surplus	2	**2071,67,45**	1944,89,50
c. Deposits	3	**33309,48,29**	30553,35,35
d. Borrowings	4	**4012,78,03**	1773,13,21
e. Other Liabilities & Provisions	5	**779,29,45**	781,89,32
TOTAL		**40429,22,60**	35244,72,05
II. ASSETS			
a. Cash & Balances with Reserve Bank of India	6	**1698,16,94**	1454,80,48
b. Balances with Banks and Money at call & Short Notice	7	**316,79,42**	169,07,17
c. Investments	8	**10767,74,83**	8651,73,03
d. Advances	9	**25768,20,17**	23728,91,14
e. Fixed Assets	10	**402,45,35**	359,11,90
f. Other Assets	11	**1475,85,89**	881,08,33
TOTAL		**40429,22,60**	35244,72,05
Contingent Liabilities	12	**4872,30,39**	3199,65,05
Bills for collection		**1277,33,20**	878,44,88
Significant Accounting Policies	17		
Notes on Accounts	18		

Schedules 1 to 12 and 17 to 18 form part of this Balance Sheet.

As per our report of even date attached

For **M/s. R.K. KUMAR & CO**
Chartered Accountants
FRN - 001595S

G.NAGANATHAN
Partner
M. No. 022456

Chennai
25th May, 2018

B.K. MANJUNATH
Chairman

PARTHASARATHI MUKHERJEE
Managing Director & CEO

S. SUNDAR
Chief Financial Officer

N. RAMANATHAN
Company Secretary

N. MALAYALARAMAMIRTHAM
Y.N. LAKSHMINARAYANA MURTHY
KUSUMA R MUNIRAJU
ANURADHA PRADEEP
HEMANT KAUL
G. SUDHAKARA GUPTA
H.S. UPENDRA KAMATH
SUVENDU PATI
RAJNISH KUMAR
Directors

LAKSHMI VILAS BANK

PROFIT AND LOSS ACCOUNT for the year ended 31st March 2018

(₹ 000's)

	Schedule	Year ended 31-03-2018	Year ended 31-03-2017
I. INCOME			
a. Interest Earned	13	**3041,62,17**	2846,65,75
b. Other Income	14	**346,80,78**	502,76,78
TOTAL		**3388,42,95**	3349,42,53
II. EXPENDITURE			
a. Interest Expended	15	**2251,02,10**	2064,00,36
b. Operating Expenses	16	**782,02,97**	651,36,59
c. Provisions & Contingencies		**940,24,49**	377,98,37
TOTAL		**3973,29,56**	3093,35,32
III. NET PROFIT FOR THE YEAR		**-584,86 61**	256,07,21
Profit brought forward		**62,26,43**	44
TOTAL		**-522,60,18**	256,07,65
IV. APPROPRIATIONS			
a. Transfer to Statutory Reserve		**0**	64,10,00
b. Transfer to Capital Reserve		**86,25,86**	77,16,22
c. Transfer to Other Reserves		**0**	46,55,00
d. Investment Reserve		**0**	0
e. Transfer to Special Reserve u/s 36(1)(viii) of the IT Act, 1961		**0**	6,00,00
f. Dividend Paid for FY 16-17		**51,78,78**	0
g. Tax on Dividend		**10,47,65**	0
h. Balance carried over to Balance Sheet		**-671,12,47**	62,26,43
TOTAL		**-522,60,18**	256,07,65
Earnings Per Share - Basic (₹)		**-28.29**	14.07
Earnings Per Share - Diluted (₹)		**-28.11**	13.95

Schedules 13 to 16 and 17 to 18 form part of this Profit & Loss Account.

As per our report of even date attached

For **M/s. R.K. KUMAR & CO**
Chartered Accountants
FRN - 001595S

G.NAGANATHAN
Partner
M. No. 022456

Chennai
25th May, 2018

B.K. MANJUNATH
Chairman

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SUVENDU PATI
RAJNISH KUMAR
Directors

LAKSHMI VILAS BANK

CASH FLOW STATEMENT for the year ended 31st March 2018

(₹ in 000's)

	31-03-2018		31-03-2017	
CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit as per Profit & Loss Account	-584 86 61		256 07 22	
ADJUSTMENTS FOR:				
Provisions & Contingencies	940 24 49		377 98 37	
Depreciation on Fixed Assets	58 84 16		48 05 54	
Loss on sale of assets	18 35		- 26 45	
Income Tax / T D S paid	-68 00 00		-125 00 00	
Net cash flow before changes in Working Capital		346 40 39		556 84 68
CHANGES IN WORKING CAPITAL :				
LIABILITIES : Increase/Decrease in				
Deposits	2756 12 95		5122 39 19	
Refinances	2339 14 82		1080 12 43	
Other Liabilities	-842 04 59		-330 49 29	
		4253 23 18		5872 02 33
ASSETS : Increase/Decrease in				
Investments	2165 07 30		2106 32 57	
Advances	2039 29 04		4085 17 23	
Other Assets	526 77 56		10 30 67	
		-4731 13 90		-6201 80 47
Net Cash Flow from operating activities		-131 50 32		227 06 54
CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	-103 52 16		-40 62 09	
Sale of Fixed Assets	1 16 20		65 95	
Net Cash Flow from Investing activities		-102 35 96		-39 96 14
CASH FLOW FROM FINANCING ACTIVITIES:				
Share issue including share premium net of forfeited shares	786 32 18		162 60 76	
Proceeds received from Tier II Bonds	100 00 00		–	
Repayment of Tier II Bonds	-199 50 00		-30 00 00	
Dividends paid	-61 87 19		-64 44 64	
Net Cash Flow from financing activities		624 94 99		68 16 12
Cash flow for the year		391 08 71		255 26 53
Cash & Cash equivalents at the beginning of the year		1623 87 66		1368 61 13
Cash & Cash equivalents at the year end (refer Schedule 6 &7)		2014 96 36		1623 87 66

As per our report of even date attached

For **M/s. R.K. KUMAR & CO**
Chartered Accountants
FRN - 001595S

G.NAGANATHAN
Partner
M. No. 022456

Chennai
25th May, 2018

B.K. MANJUNATH
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H.S. UPENDRA KAMATH
SUVENDU PATI
RAJNISH KUMAR
Directors

(₹ 000's)

			As at 31-03-2018		As at 31-03-2017
SCHEDULE 1 - CAPITAL					
AUTHORISED CAPITAL					
(50,00,00,000 equity shares of ₹ 10/- each)			**500,00,00**		500,00,00
ISSUED CAPITAL					
(25,80,12,279 equity shares of ₹ 10/- each) (Previous year 19,29,55,124 equity of ₹ 10/- each) of which 6,44,97,155 shares issued through Rights Basis and 5,60,000 shares issued under "LVB ESOS-2010".			**258,01,23**		192,95,51
Subscribed, Called-up and Paid Up Capital					
i) 25,59,93,753 equity shares of ₹ 10/- each. (Previous year 19,14,46,747 shares of ₹ 10/- each) (6,39,87,006 shares issued under Rights Basis and 5,60,000 shares issued under "LVB ESOS-2010".)			**255,99,38**		191,44,67
ii) 1,26,42,131 Bonus Shares allotted (Previous year 1,26,42,131 shares)					
iii) Shares kept in abeyance 20,18,526,inclusive of Forfeited & lapsed shares.(Previous year 15,08,377 shares)					
iv) Shares Forfeited and lapsed 23,658 (Previous year 23,658 shares)					
TOTAL			**255,99,38**		191,44,67
SCHEULE 2 - RESERVES & SURPLUS					
I. STATUTORY RESERVE					
Opening Balance		**481,40,46**		417,30,46	
Additions during the year		**0**	**481,40,46**	64,10,00	481,40,46
II. CAPITAL RESERVE					
Opening Balance		**140,26,94**		63,10,72	
Additions during the year		**86,25,86**	**226,52,80**	77,16,22	140,26,94
III. SHARE PREMIUM					
Opening Balance		**807,98,14**		657,35,89	
Additions during the year		**721,77,47**		155,80,68	
		1529,75,61		813,16,57	
Deductions during the year		**0**	**1529,75,61**	5,18,43	807,98,14
IV. REVENUE & OTHER RESERVES					
Opening Balance		**216,52,72**		218,17,53	
Additions during the year		**52,67,59**		48,78,90	
		269,20,31		266,96,43	
Deductions during the year		**0**	**269,20,31**	50,43,71	216,52,72
V. EMPLOYEE STOCK OPTION OUTSTANDING					
Opening Balance		**4,50,49**		0	
Additions during the year		**3,79,85**		4,50,49	
		8,30,34		4,50,49	
Deductions during the year		**2,10,02**		0	
Less: Transferred to General Reserve		**0**	**6,20,32**	0	4,50,49
VI. SPECIAL RESERVE U/S 36(1)(VIII) OF IT ACT, 1961					
Opening Balance		**62,45,00**		56,45,00	
Additions during the year		**0**	**62,45,00**	6,00,00	62,45,00
VII. REVALUATION RESERVE					
Opening Balance		**169,49,32**		171,73,22	
Additions during the year		**0**		0	
		169,49,32		171,73,22	
Depreciation on Revalued Asset		**2,23,90**	**167,25,42**	2,23,90	169,49,32
			0		0
VIII. BALANCE IN PROFIT & LOSS ACCOUNT			**-671,12,47**		62,26,43
TOTAL			**2071,67,45**		1944,89,50

(₹ 000's)

			As at 31-03-2018		As at 31-03-2017
SCHEDULE 3 - DEPOSITS					
A. I. DEMAND DEPOSITS					
1. From Banks		1,09,82		5,37,09	
2. From Others		2090,16,56	2091,26,38	1839,37,21	1844,74,30
II. SAVINGS BANK DEPOSITS			4924,86,79		3999,60,89
III. TERM DEPOSITS					
1. From Banks		2378,89,03		2141,82,11	
2. From Others		23914,46,09	26293,35,12	22567,18,05	24709,00,16
			33309,48,29		30553,35,35
B. (I) DEPOSITS OF BRANCHES IN INDIA			33309,48,29		30553,35,35
(II) DEPOSITS OF BRANCHES OUTSIDE INDIA			NIL		NIL
TOTAL			33309,48,29		30553,35,35
SCHEDULE 4 - BORROWINGS					
I. BORROWINGS IN INDIA					
1. Reserve Bank of India		2070,00,00		65,00,00	
2. Other Banks		275,00,00		250,00,00	
3. Other Institutions & Agencies*		1667,78,03	4012,78,03	1458,13,21	1773,13,21
II. BORROWINGS OUTSIDE INDIA			0		0
* Includes unsecured Tier II bonds of ₹ 368.70 Crs (PY ₹ 468.20 Crs.)			4012,78,03		1773,13,21
SECURED BORROWINGS INCLUDED IN I & II ABOVE			0		0
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS					
I. Bills payable			84,48,76		66,23,14
II. Inter-office adjustments (net)			11,51,70		48,06,44
III. Interest accrued			225,70,07		210,56,90
IV. (I) Others - (including Provisions)			359,27,92		369,62,84
(ii) Contingent Provisions against Standard Assets			98,31,00		87,40,00
TOTAL			779,29,45		781,89,32
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA					
Cash in Hand (including Foreign Currency Notes)			344,15,68		341,26,46
Balances with Reserve Bank of India					
I) in current account			1354,01,26		1113,54,02
II) in other accounts			0		0
TOTAL			1698,16,94		1454,80,48

(₹ 000's)

	As at 31-03-2018	As at 31-03-2017
SCHEDULE 7 - BALANCES WITH BANKS & MONEY AT CALL AND SHORT NOTICE		
I. IN INDIA		
(i) Balance with Banks		
a. in current accounts	**41,22,36**	19,78,04
b. in other deposit accounts	**30,00**	6,25
	41,52,36	19,84,29
(ii) Money at call and short notice		
a. with banks	**0**	0
b. with RBI in reverse repo	**270,00,00**	110,00,00
c. with other institutions	**0**	0
	270,00,00	110,00,00
	311,52,36	129,84,29
II. OUTSIDE INDIA		
(I) Balance with Banks		
a. in current accounts	**5,27,06**	39,22,88
b. in other accounts	**0**	0
	5,27,06	39,22,88
TOTAL	**316,79,42**	169,07,17
SCHEDULE 8 - INVESTMENTS		
I. INVESTMENTS IN INDIA		
I. Government Securities [incl. treasury bills, & zero coupon bonds]	**9625,15,52**	7910,70,21
II. Other approved securities	**0**	0
III. Shares	**182,16,74**	134,98,32
IV. Debentures & Bonds	**606,68,49**	282,32,63
V. Subsidiaries and Joint Ventures	**0**	0
VI. Others [including Commercial Paper, Mutual Funds, Security Receipt, Units, etc.]	**353,74,08**	323,71,87
	10767,74,83	8651,73,03
GROSS INVESTMENTS IN INDIA	**10868,19,94**	8703,12,63
LESS: DEPRECIATION	**100,45,11**	51,39,60
NET INVESTMENTS IN INDIA	**10767,74,83**	8651,73,03
II. INVESTMENTS OUTSIDE INDIA	**NIL**	NIL
TOTAL	**1076,74,83**	8651,73,03

(₹ 000's)

				As at 31-03-2018		As at 31-03-2017
SCHEDULE 9 - ADVANCES						
A.	I.	Bills purchased & discounted		**421,44,32**		863,82,09
	II.	Cash credits, overdrafts & loans repayable on demand		**15434,63,77**		15128,44,22
	III.	Term loans		**9912,12,08**		7736,64,83
				25768,20,17		23728,91,14
B.	**PARTICULARS OF ADVANCES**					
	I.	Secured by tangible assets [incl. advances against Book Debts]		**25371,63,92**		23314,59,93
	II.	Covered by Bank / Govt. Guarantees		**0**		0
	III.	Unsecured		**396,56,25**		414,31,21
				25768,20,17		23728,91,14
C.	**SECTORAL CLASSIFICATION OF ADVANCES**					
	I.	Priority Sector		**9465,45,81**		8195,07,30
	II.	Public Sector		**0**		0
	III.	Banks		**0**		0
	IV.	Others		**16302,74,36**		15533,83,84
	TOTAL			**25768,20,17**		23728,91,14

SCHEDULE 10 - FIXED ASSETS							
I.	**PREMISES**						
	At cost		**240,54,15**			64,86,41	
	Addition due to Revaluvation		**0**			175,49,12	
	Additions during the year		**19,15**			18,62	
			240,73,30			240,54,15	
	Deductions during the year		**0**			0	
			240,73,30			240,54,15	
	Less: Depreciation to date		**20,08,84**	**220,64,46**		17,29,28	223,24,87
II.	**OTHER FIXED ASSETS (INCLUDING FURNITURE & FIXTURES)**						
	At Cost		**402,47,12**			369,01,92	
	Additions during the year		**103,33,00**			40,43,47	
			505,80,12			409,45,39	
	Deductions during the year		**4,99,23**			6,98,27	
			500,80,89			402,47,12	
	Less: Depreciation to date		**319,00,00**	**181,80,89**		266,60,09	135,87,03
	TOTAL			**402,45,35**			359,11,90

(₹ 000's)

		As at 31-03-2018	As at 31-03-2017
SCHEDULE 11 - OTHER ASSETS			
I.	Inter-Office Adjustments (net)	**0**	0
II.	Interest Accrued	**264,80,83**	197,35,22
III.	Tax Paid in Advance and Tax Deducted at Source (Net)	**179,37,40**	133,72,89
IV.	Deferred Tax Asset / Liabilities (net)	**464,95,16**	65,22,16
V.	Stationery & Stamps	**2,55,24**	2,55,85
VI.	Non Banking Assets acquired in satisfaction of claims	**78,25,71**	78,25,71
VII.	Others	**485,91,55**	403,96,50
TOTAL		**1475,85,89**	881,08,33
SCHEDULE 12 - CONTINGENT LIABILITIES			
I.	Claims against the Bank not acknowledged as debts	**135,85,40**	135,50,71
II.	Liability for partly paid Investments	**0**	0
III.	Liability on account of outstanding forward exchange contracts	**2339,04,82**	838,04,22
IV.	Guarantees given on behalf of constituents		
	In India	**1085,54,64**	948,97,32
	Outside India	**98,81,72**	162,92,39
V.	Acceptances, Endorsements & Other Obligations	**1170,42,24**	1091,06,31
VI.	Other items for which the Bank is contingently liable	**42,61,57**	23,14,10
		4872,30,39	3199,65,05
		Year ended 31-03-2018	Year ended 31-03-2017
SCHEDULE 13 - INTEREST EARNED			
I.	Interest / discount on advances / bills	**2331,47,02**	2239,71,04
II.	Income on Investments	**693,05,43**	577,59,37
III.	Interest on balance with Reserve Bank of India & other inter-bank Funds	**7,02,93**	12,28,33
IV	Others	**10,06,79**	17,07,01
	TOTAL	**3041,62,17**	2846,65,75

(₹ 000's)

			Year ended 31-03-2018		Year ended 31-03-2017
SCHEDULE 14 - OTHER INCOME					
I.	Commission, Exchange and Brokerage		121,76,42		134,06,85
II.	Profit on sale of Investments	185,44,08		350,52,75	
	Less: Loss on sale of Investments	121,03,91	64,40,17	90,56,83	259,95,92
III	Profit on sale of land, Buildings & Other Assets	0		37,24	
	Less: Loss on sale of land, Buildings & Other Assets	18,35	-18,35	10,79	26,45
IV.	Profit on Exchange Transactions	12,18,02		13,30,28	
	Less: Loss on Exchange Transactions	0	12,18,02	0	13,30,28
V.	Income earned by way of Dividends from Companies in India.	3,29,88	3,29,88	3,17,52	3,17,52
VI.	Miscellaneous Income		145,34,64		91,99,76
	TOTAL		346 80,78		502,76,78
SCHEDULE 15 - INTEREST EXPENDED					
I.	Interest on Deposits		1987,99,37		1938,16,06
II.	Interest on Reserve Bank of India / Inter-Bank Borrowings		263,02,73		125,84,30
	TOTAL		2251,02,10		2064,00,36
SCHEDULE 16 - OPERATING EXPENSES					
I.	Payments to and Provision for Employees		392,13,36		334,70,89
II.	Rent, Taxes & Lighting		76,52,73		63,49,84
III.	Printing & Stationery		7,42,41		6,62,31
IV.	Advertisement & Publicity		9,44,23		9,64,65
V.	Depreciation on Bank's Property		58,84,16		48,05,54
VI.	Director's fees, allowances		1,17,25		1,40,00
VII.	Auditors' fees & Expenses (incl. Branch Auditors)		1,82,40		1,38,65
VIII.	Law Charges		2,34,57		2,04,35
IX.	Postage, Telegrams, Telephones, etc.,		14,36,98		12,79,85
X.	Repairs & Maintenance		7,13,74		4,36,72
XI.	Insurance		33,35,79		26,58,67
XII.	Other Expenditure		177,45,35		140,25,12
	TOTAL		782,02,97		651,36,59

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING:

The financial statements are prepared following the going concern concept, on historical cost basis unless otherwise stated and conform to the Generally Accepted Accounting Principles, (GAAP) in India which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI) from time to time, Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and current practices prevailing in the banking industry in India.

B. USE OF ESTIMATES:

The preparation of the financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities including contingent liabilities as of the date of the financial statements and the reported income and expenses during the reported period. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The differences, if any between estimates and actual will be dealt appropriately in future periods.

C. PRINCIPAL ACCOUNTING POLICIES

1. TRANSACTIONS INVOLVING FOREIGN EXCHANGE:

(a) Foreign Currency Assets and Liabilities are evaluated at the exchange rates prevailing at the close of the year as per the guidelines issued by FEDAI. The resultant profit or loss is accounted for.

(b) Income and Expenditure in foreign currency are translated at the exchange rates prevailing on the date of the respective transaction.

(c) Outstanding forward exchange contracts in each currency are revalued at the Balance Sheet date at the corresponding forward rates for the residual maturity of the contract, in accordance with the guidelines of FEDAI and the provisions of AS-11. The difference between revalued amount and the contracted amount is recognized as profit or loss, as the case may be.

(d) Contingent liabilities on guarantees, letters of credit, acceptances and endorsements are reported at the rates prevailing on the Balance Sheet date.

2. INVESTMENTS:

(a) Investments are categorized under the heads 'Held to Maturity', Available for Sale, and 'Held for Trading' and are valued in accordance with the guidelines of the Reserve Bank of India

(b) Brokerage / commission etc, paid in connection with the acquisition of investments is charged to revenue and not included in cost.

(c) Broken period interest paid / received on debt instruments is treated as interest expense / income.

(d) Security receipts are valued at NAV as declared by Securitisation Companies

(e) The excess of acquisition cost over the face value of securities under "Held to Maturity" category is amortised over the remaining period to maturity.

(f) Costs including brokerage and commission pertaining to investments, paid at the time of acquisition, are charged to the profit and loss account. Cost of investments is computed based on the Weighted Average Rate method.

(g) Profit / loss on sale of investments in the 'Held to Maturity' category is recognized in the profit and loss account and profit is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to capital reserve. Profit / loss on sale of investments in 'Available for Sale' and 'Held for Trading' categories is recognised in the profit and loss account.

(h) All Repo and Reverse Repo transactions are accounted for as borrowing and lending transactions respectively in accordance with the extant RBI guidelines.

3. ADVANCES:

3.1 In accordance with the prudential norms issued by RBI:

(a) Advances are classified into standard, sub-standard, doubtful and loss assets borrower-wise;

(b) Provisions are made for loan losses, and

(c) General provision for standard advances is made.

3.2 Advances disclosed are net of provisions made for non-performing assets, ECGC claims settled, part recovery towards NPA accounts receipts held under sundries, and provision made for sacrifice of interest / diminution in the value of restructured advances measured in present value terms as per RBI guidelines.

4. FIXED ASSETS AND DEPRECIATION:

(a) Fixed assets are accounted for at their historical cost except for Land and Building which are accounted at their revalued cost.

(b) Software is capitalised along with computer hardware and included under Other Fixed Assets.

(c) Depreciation on assets other than computers are provided on Straight Line Method after considering the useful life specified in Schedule II to the Companies Act, 2013 except for hand held communication devices(other than Tablets) which are depreciated in full considering the fast changing technology and obsolescence.

(d) Depreciation on computers and Software are provided for on straight-line method at the rate of 33.33% as per the guidelines issued by the Reserve Bank of India.

(e) Depreciation for premises, in which land cost and construction cost could not be ascertained separately, is provided on the total cost.

5. EMPLOYEE BENEFITS:

(a) Annual contributions to the approved Employees' Gratuity Fund, Approved Pension Fund and Provision for Leave Encashment benefits are made on actuarial basis and net actuarial gain/loss are recognised as per Accounting Standard 15. Contribution made by the bank to Provident Fund and Contributory Pension Scheme are charged to Profit & Loss account.

(b) The Bank follows the intrinsic value method to account for its employee compensation costs arising from grant of Employee Stock Options.

6. PROVISION FOR TAXATION:

Provision for taxation is made on the basis of the estimated tax liability, after due consideration of the judicial pronouncements and legal opinion, with adjustment for deferred tax in terms of the Accounting Standard 22 (Accounting for Taxes on Income).

7. REVENUE RECOGNITION:

(a) Income is accounted for on accrual basis.

(b) Interest income on non-performing advances/investments are recognized on realization basis, owing to the significant uncertainty in collection thereof:

(c) Interest on tax refund from Income Tax Department is accounted based on assessment orders received.

(d) Dividend Income on Investments is accounted based on declaration basis.

8. SEGMENT REPORTING:

(a) The Bank recognises the Business Segment as the Primary Reporting Segment and Geographical Segment as the Secondary Reporting Segment, in accordance with the RBI guidelines and in compliance with the Accounting Standard 17.

(b) Business Segment is classified into (a) Treasury (b) Corporate and Wholesale Banking, (c) Retail Banking and (d) Other Banking Operations.

(c) Geographical Segment consists only of the Domestic Segment since the Bank does not have any foreign branches.

9. EARNINGS PER SHARE:

Basic and Diluted earnings per equity share are reported in accordance with the Accounting Standard 20 "Earnings per share". Basic earnings per equity share are computed by dividing net profit by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

10. IMPAIRMENT OF ASSETS

The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

11. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

(a) As per the Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

(b) Contingent Liability is recognised and disclosed only when a legal dispute is pending before a court of law / forum / Banking Ombudsman.

(c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realised.

12. NET PROFIT:

The net profit as per the Profit & Loss account is arrived at after necessary provisions towards:

a) Taxation.

b) Advances and other assets.

c) Shortfall in the value of investments

d) Staff Retirement benefits.

e) Other usual and necessary provisions.

13. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents include cash in hand, Balance with RBI, Balance with other Banks and money at Call and Short Notice.

Cash flows are reported using indirect method, whereby Profit (Loss) before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the bank are segregated.

SCHEDULE 18

NOTES ON ACCOUNTS

1. The reconciliation of inter branch transactions has been completed up to 31.03.2018 and tallying of balances is ensured on an ongoing basis.

2. Issue of Shares - Right Issue:

6,39,87,006 equity shares of face value of ₹ 10 each fully paid up were issued on rights basis for a price of ₹ 122 per equity share, including share premium of ₹ 112 per equity share in all aggregating to ₹ 780.64 crore on rights basis and 5,10,149 equity shares not allotted kept in abeyance during this rights issue.

3. DISCLOSURE REQUIREMENTS

3.1 CAPITAL

(₹ in crore)

Items	2017-18	2016-17
i) Common Equity Tier 1 Capital Ratio (%) - (Basel-III)	**8.05**	8.75
ii) Tier 1 Capital Ratio (%)	**8.05**	8.75
iii) Tier 2 Capital Ratio (%)	**1.76**	1.63
iv) Total Capital Ratio (CRAR) (%)	**9.81**	10.38
v) Percentage of the shareholding of the Government of India in public sector bank	**NA**	NA
vi) Amount of equity capital raised	**786.32**	167.79
vii) Amount of Additional Tier 1 capital raised, of which PNCPS : PDI :	 **NIL**	 NIL
viii) Amount of Tier II Capital raised, of which Debt capital instruments Preference Share Capital instruments	 **100.00** **NIL**	 NIL NIL

3.2 INVESTMENTS

(₹ in crore)

Particulars	2017-18	2016-17
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	**10,868.20**	8,703.13
(b) Outside India	**NIL**	NIL
(ii) Provisions for Depreciation		
(a) In India	**100.45**	51.40
(b) Outside India	**NIL**	NIL
(iii) Net Value of Investments		
(a) In India	**10,767.75**	8,651.73
(b) Outside India.	**NIL**	NIL
(2) Movement of provisions held towards Depreciation on investments.		
(i) Opening balance	**51.40**	49.04
(ii) Add: Provisions made during the year	**53.33**	2.36
(iii) Less: Write-off / write-back of excess provisions during the year	**4.28**	0.00
(iv) Closing Balance	**100.45**	51.40

3.2.1 In respect of securities held under HTM category, premium paid of ₹ 30.90 crore (previous year ₹ 13.72 crore) has been amortized during the year and debited under "Interest received on Investments".

3.2.2 Repo Transactions (in face value terms)

(₹ in crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	**Outstanding As on March 31, 2018**
Securities sold under repo				
I. Government Securities	0.00 (0.00)	2470.00 (3085.69)	1016.28 (521.86)	**2070.00** **(321.87)**
II. Corporate debt Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	**Nil** **(Nil)**
Securities purchased under reverse repo				
I. Government Securities	0.00 (0.00)	2430.00 (1580.80)	97.63 (175.62)	**270.00** **(110.00)**
II. Corporate debt Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	**Nil** **(Nil)**

(Figures in bracket indicates in previous year)

3.2.3 Non-SLR Investment Portfolio

i) Issuer composition of Non SLR investments:

(₹ in crore)

No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	259.42	65.50	–	–	–
2	FIs	25.75	6.00	–	–	–
3	Banks	48.27	23.00	–	–	–
4	Private Corporates	547.08	443.87	11.93	103.55	128.55
5	Subsidiaries / Joint Ventures	–	–	–	–	–
6	Others	346.75	341.59	–	–	–
7	Less: Provision held towards depreciation	-84.67	–	–	–	–
	Total	**1142.59**	**879.97**	**11.93**	**103.55**	**128.55**

Amounts reported under Columns 4, 5, 6 and 7 above may not be mutually exclusive.

ii) Non-performing Non-SLR investments :

(₹ in crore)

Particulars	2017-18	2016-17
Opening balance	**27.76**	10.05
Additions during the year since 1st April	**24.82**	20.83
Reductions during the above period	**0.00**	3.12
Closing balance	**52.58**	27.76
Total Provisions held (*)	**36.26**	14.07

(*) An amount of ₹ 0.94 Crore (PY ₹ 0.94 Crore) received towards part settlement is parked under sundries account.

3.2.4 Sale and transfers to / from HTM category:

During the year the book value of securities sold under HTM category exceeds 5% of the book value of investments held in HTM category as at the beginning of the year. The details of HTM category as on 31.03.2018 are furnished hereunder:

(₹ in crore)

Market Value	6,287.37
Book value	6,571.05
Excess of book value over market value for which Provision is not made	(283.68)

3.3 Derivatives

3.3.1 Forward Rate Agreement / Interest Rate Swap:

(₹ in crore)

Particulars	2017-18	2016-17
i) The notional principal of swap agreements	**NIL**	NIL
ii) Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	**NIL**	NIL
iii) Collateral required by the bank upon entering into swaps	**NIL**	NIL
iv) Concentration of credit risk arising from the swaps	**NIL**	NIL
v) The fair value of the swap book	**NIL**	NIL

3.3.2 Exchange Traded Interest Rate Derivatives:

(₹ in crore)

S.No.	Particulars	2017-18	2016-17
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	NIL	NIL
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2018 (instrument-wise)	NIL	NIL
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL

3.3.3 Disclosures on risk exposure in derivatives

Qualitative Disclosure:

The only derivatives dealt by the bank in the foreign exchange market is Forward Contracts. Forward contracts are being used to hedge / cover the exposure in foreign exchange arising out of merchant transaction and trading positions.

a. To cover the risk arising out of the above derivatives, various limits like IGL, AGL and Stop Loss Limits have been prescribed in the Treasury Policy of the Bank, which are monitored by mid-office. The mark-to-market values are monitored on monthly basis for Foreign Exchange Forward Contracts. The operations are conducted in terms of the policy guidelines issued by RBI from time to time.

Quantitative Disclosures:

(₹ in crore)

Sl. No.	Particular	Currency Derivatives		Interest rate Derivatives	
		2017-18	2016-17	2017-18	2016-17
(i)	Derivatives (Notional Principal Amount)	NA	NA	NA	NA
	a) For hedging	NA	NA	NA	NA
	b) For trading	NA	NA	NA	NA
(ii)	Marked to Market Positions	NA	NA	NA	NA
	a) Asset (+)	NA	NA	NA	NA
	b) Liability (-)	NA	NA	NA	NA
(iii)	Credit Exposure	NA	NA	NA	NA
(iv)	Likely impact of one percentage change in interest rate (100*PV01)	NA	NA	NA	NA
	a) On hedging derivatives	NA	NA	NA	NA
	b) On trading derivatives	NA	NA	NA	NA
(v)	Maximum and Minimum of 100*PV01 observed during the year	NA	NA	NA	NA
	a) On hedging	NA	NA	NA	NA
	b) On trading	NA	NA	NA	NA

3.3.4 Shifting of securities:

For the year ended 31.03.2018, Bank has shifted securities amounting to ₹ 322.09 crore (Face Value) (Previous year ₹ 903 crore Face Value) from HTM to AFS category and no loss arose on such transfer (Previous year - no loss). Further, Bank has shifted securities amounting to ₹ 590 crore (Face Value)(Previous year ₹ NIL crore Face Value) from AFS to HTM category and loss which arose on such transfer amounting to ₹ 4.28 crore (Previous Year - No loss) has been provided during the year. Total loss during the year on account of shifting of securities is ₹ 4.28 crore (Previous Year - No loss).

3.3.5 SLR Securities:

(₹ in crore)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Book Value	Market Value	Book Value	Market Value
Government Securities SLR (CG, SG,TB)	9,640.94	9,334.84	7,910.70	7,891.67
Approved securities - SLR	0.00	0.00	0.00	0.00

3.3.6 Spreading of mark to market losses on Investments:

RBI vide circular DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018 has permitted banks to spread the provisioning for mark to market (MTM) losses on investments held in AFS and HFT for the quarters ended December 31, 2017 and March 31, 2018 equally over four quarters respectively (commencing with the quarter in which the loss is incurred). Accordingly, Bank has provided ₹ 32.76 crore for depreciation of the investment portfolio for the quarter ended Mar 2018. The balance amounting to ₹ 98.29 crore will be provided in the ensuing three quarters.

3.4 Asset Quality

3.4.1 Non-Performing Assets:

(₹ in crore)

Particulars		2017-18	2016-17
(i)	Net NPAs to Net Advances (%)	**5.66%**	1.76%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	**640.19**	391.25
	(b) Additions during the year	**2916.02**	597.20
	(c) Reductions during the year	**862.00**	348.26
	(d) Closing balance	**2694.21**	640.19
(iii)	Movement of Net NPAs		
	(a) Opening balance	**418.42**	231.64
	(b) Additions during the year	**1901.12**	500.04
	(c) Reductions during the year	**861.65**	313.26
	(d) Closing balance	**1457.89**	418.42
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	**170.43**	113.47
	(b) Provisions made during the year	**1343.16**	194.55
	(c) Write-off / write-back of excess provisions	**344.54**	137.59
	(d) Closing balance	**1169.05**	170.43

3.4.2 Divergence in the asset classification and provisioning:

In terms of the RBI Circular DBR.BP.BC.No. 63/21.04.018/2016-17 dated 18th April 2017, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts wherever either a) the additional provisioning requirements assessed by RBI exceed 15% of the published net profits after tax for the reference period or b) the additional Gross NPAs identified by RBI exceed 15% of the published incremental Gross NPAs for the reference period, or both. Accordingly, divergence in Asset Classification and Provisioning for NPAs in compliance to Risk Assessment Report (RAR) of RBI for the financial year 2016-17 is reported hereunder.

(₹ in crore)

S No.	Particulars	Amount
1.	Gross NPAs as on March 31, 2017 as reported by the bank	640.19
2.	Gross NPAs as on March 31, 2017 as reported by RBI	809.69
3.	Divergence in Gross NPAs (2-1)	169.50
4.	Net NPAs as on March 31, 2017 as reported by the bank	418.42
5.	Net NPAs as on March 31, 2017 as reported by RBI	497.62
6.	Divergence in Net NPAs (5-4)	79.20
7.	Provisions for NPAs as on March 31, 2017 as reported by the bank	170.43
8.	Provisions NPAs as on March 31, 2017 as reported by RBI	260.73
9.	Divergence in Provisioning (8-7)	90.30
10.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2017	256.07
11.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2017 after taking into account the divergence in provisioning	165.77

(Resultant impact of the RBI divergence has been duly considered and given effect to as of 31.03.2018)

3.4.3 Particulars of Accounts Restructured:

Disclosure of Restructured Accounts (₹ in crore)

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1.	Restructured Accounts as on April 1 of the FY (opening figures*)	No. of borrowers	5	0	1	0	6	2	1	0	0	3	6	3	4	1	14	13	4	5	1	23
		Amount outstanding	328.00	0.00	45.65	0.00	373.65	0.70	0.97	0.00	0.00	1.67	167.55	44.28	87.67	52.16	351.66	496.25	45.25	133.32	52.16	726.98
		Provision thereon	3.50	0	0.88	0	4.38	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.86	0.00	0.86	3.50	0.01	1.74	0.00	5.25
2.	Fresh restructuring/ Additional facilities during the year **	No. of borrowers	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	1
		Amount outstanding	44.82	0.00	0.00	0.00	44.82	0.00	0.00	0.00	0.00	0.00	64.57	1.25	0.00	0.00	65.82	109.39	1.25	0.00	0.00	110.64
		Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.	Upgradations to restructured standard category during the FY	No. of borrowers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Amount outstanding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	0	0	0	0	0	0	0	0	0	0	2	0	0	0	2	2	0	0	0	2
		Amount outstanding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	52.06	0.00	0.00	0.00	52.06	52.06	0.00	0.00	0.00	52.06
		Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

3.4.3 Disclosure of Restructured Accounts (Contd.)

(₹ in crore)

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification	Details	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
5.	Down gradations of restructured accounts during the FY	No. of borrowers	-4	1	3	0	0	0	-1	1	0	0	-2	-3	5	0	0	-6	-3	9	0	0
		Amount outstanding	-353.81	10.28	343.53	0.00	0.00	0.00	-0.54	0.54	0.00	0.00	-132.30	-45.14	177.44	0.00	0.00	-486.11	-35.40	521.51	0.00	0.00
		Provision thereon	-2.37	0.00	2.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2.37	0.00	2.37	0.00	0.00
6.	Write-offs/ recovery of restructured accounts during the FY ***	No. of borrowers	0	0	0	0	0	0	0	0	0	0	1	0	1	1	3	1	0	1	1	3
		Amount outstanding	0.00	0.00	43.02	0.00	43.02	0.12	0.43	0.00	0.00	0.55	5.35	0.39	36.37	52.16	94.27	5.47	0.82	79.39	52.16	137.83
7.	Restructured Accounts as on March 31 of the FY (closing figures****)	No. of borrowers																				
		Amount outstanding																				
		Provision thereon																				

The reported provision figures are Diminution / Erosion in fair value.

* Opening figures have been re-grouped / reclassified wherever considered necessary.

** Out of ₹ 110.64 crore, ₹ 42.27 crore relates to 1 fresh restructured account and balance amount of ₹ 68.37 crore relates to additional facilities / limits / increased to the existing restructured accounts during the year.

*** Out of ₹ 137.83 crore, ₹ 38.26 crore by way of cash recovery (2 accounts) and ₹ 3.96 crore relates to partial recovery in existing restructured accounts and 2 accounts by way of write-offs amounting to ₹ 95.61 crore.

**** Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight.

3.4.4 Details of financial assets sold to Securitization / Reconstruction Company for Asset Reconstruction

(A) Details of Sales: (₹ in crore)

	Particulars	2017-18	2016-17
(i)	No. of accounts	2	1390
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	90.99	106.22
(iii)	Aggregate consideration	91.42	95.64
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	0.00	0.00
(v)	Aggregate profit / (loss) over net book value.	0.42	(10.58)

(B) NPA Assets Sold to ARC: (₹ in crore)

Particulars	Backed by NPAs sold by the bank as underlying		Backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Book value of investments in security Receipts as at 31st March	338.78	343.41	2.81	6.01	341.59	349.42

(C) Disclosures of investment in Security Receipts: (₹ in crore)

	Particulars	SRs issued within past 5 years	SRs issued morethan 5 years ago but within past 8 years	SRs issued morethan 8 years ago
(i)	Book value of SRs backed by NPAs sold by the bank as underlying	248.86	89.92	0.00
	Provision held against (i)	7.29	39.94	0.00
(ii)	Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	0.00	2.81	0.00
	Provision held against (ii)	0.00	0.70	0.00
Total	(i) + (ii)	248.86	92.73	0.00

3.4.5 Details of non-performing financial assets purchased / sold:

A. Details of non-performing financial assets purchased: (₹ in crore)

		Particulars	2017-18	2016-17
1	(a)	No. of accounts purchased during the year	NIL	NIL
	(b)	Aggregate outstanding	NIL	NIL
2	(a)	Of these, number of accounts restructured during the year	NIL	NIL
	(b)	Aggregate outstanding	NIL	NIL

B. Details of non-performing financial assets sold: (₹ in crore)

Particulars	2017-18	2016-17
1. No. of accounts sold	NIL	NIL
2. Aggregate outstanding	NIL	NIL
3. Aggregate consideration received	NIL	NIL

C. Disclosure regarding amortization of Loss on sale of assets to ARCs

In terms of RBI guidelines, the Bank had opted to spread the net shortfall on account of sale of assets to Reconstruction companies during the financial year 2015-16 and 2016-17 over a period of 8/ 4 quarters and consequently the Bank has fully absorbed a sum of ₹ 31.29 Crore during the year ended 31st March, 2018 (by corresponding reversal of the proportionate debit made earlier to Revenue and Other Reserves). The unamortized amount as at 31st March, 2018 is Nil.

3.4.6 Provisions on Standard Assets:

(₹ in crore)

Particulars	2017-18	2016-17
Provisions towards Standard Assets	98.31	87.40

3.5 Business Ratios:

	Particulars	2017-18	2016-17
(i)	Interest Income as a percentage to Working Funds	8.15	9.17
(ii)	Non-interest income as a percentage to Working Funds	0.93	1.62
(iii)	Operating Profit as a percentage to Working Funds	0.95	2.04
(iv)	Return on Assets	-1.57	0.83
(v)	Business (Deposits plus advances) per employee (₹ in crore)	11.30	11.46
(vi)	Profit per employee (₹ in crore)	-0.11	0.06

3.6 Asset Liability Management:

Maturity pattern of certain items of assets and liabilities

(₹ in crore)

Items	1 Day	2 to 7 days	8 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	359.64 (314.08)	831.86 (993.81)	539.16 (1331.99)	943.90 (897.29)	3488.14 (4265.39)	3158.11 (2874.70)	6323.82 (4143.65)	10161.05 (9055.68)	934.14 (1256.40)	6569.66 (5420.36)	33309.48 (30553.35)
Advances (Net)	246.04 (333.26)	489.99 (478.90)	526.89 (973.86)	2303.97 (495.46)	1814.82 (3663.32)	2641.65 (862.32)	1041.43 (2128.78)	9909.34 (10159.41)	3099.45 (1416.15)	3694.63 (3217.44)	25768.20 (23728.91)
Investments (Net)	15.93 (80.66)	221.40 (130.62)	0.00 (0.13)	0.00 (0.00)	18.05 (116.91)	53.45 (109.40)	1961.20 (116.10)	566.29 (310.64)	383.80 (426.28)	7547.63 (7360.99)	10767.75 (8651.73)
Borrowings	0.00 (250.00)	2569.08 (921.60)	500.00 (0.00)	100.00 (0.00)	50.00 (0.00)	00.00 (0.00)	125.00 (332.83)	300.00 (0.00)	50.50 (50.50)	318.20 (218.20)	4012.78 (1773.13)
Foreign Currency Assets	19.86 (59.42)	0.16 (0.85)	1.92 (6.43)	3.53 (10.60)	24.74 (22.68)	27.47 (7.30)	0.00 (6.61)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	77.67 (113.89)
Foreign Currency Liabilities	29.10 (23.69)	0.00 (1.37)	0.00 (0.11)	0.11 (0.28)	2.17 (1.94)	7.74 (3.39)	16.82 (6.54)	34.35 (20.64)	14.66 (21.95)	0.00 (0.00)	104.95 (79.89)

(Figures in brackets indicates in previous year).

The above data has been compiled by the management on the basis of the guidelines of RBI which have been relied upon by Auditors

3.7 Exposures

3.7.1 Exposure to Real Estate Sector:

(₹ in crore)

Category	2017-18	2016-17
a) Direct exposure		
(i) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	1994.55	499.97
(ii) Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	2183.88	1540.75

3.7.1 Exposure to Real Estate Sector (Contd.) (₹ in crore)

Category	2017-18	2016-17
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
(a) Residential	**0.00**	0.00
(b) Commercial Real Estate	**0.00**	0.00
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	**703.99**	129.21
Total Exposure to Real Estate Sector	**4882.42**	2169.93

3.7.2 Exposure to Capital Market: (₹ in crore)

Particulars	2017-18	2016-17
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	**194.74**	131.78
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	**NIL**	NIL
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	**7.22**	107.25
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds/convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	**NIL**	NIL
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	**170.00**	30.00
(vi) Loans sanctioned to corporates against the security of shares / bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	**NIL**	NIL
(vii) Bridge loans to companies against expected equity flows / issues;	**NIL**	NIL
(viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	**NIL**	NIL
(ix) Financing to stockbrokers for margin trading;	**NIL**	NIL
(x) All exposures to Venture Capital Funds (both registered and unregistered)	**NIL**	NIL
Total Exposure to Capital Market	**371.96**	269.03

3.7.3 Risk Category wise Country Exposure:

(₹ in crore)

Risk Category	Exposure (net) as at 31.3.2018	Provision held as at 31.3.2018	Exposure (net) as at 31.3.2017	Provision held as at 31.3.2017
Insignificant	54.85	NIL	79.73	NIL
Low	44.22	NIL	26.29	NIL
Moderate	0.73	NIL	12.06	NIL
High	0.00	NIL	0.00	NIL
Very High	0.00	NIL	0.00	NIL
Restricted	0.00	NIL	0.00	NIL
Off-credit	0.00	NIL	0.00	NIL
Total	99.80	NIL	118.08	NIL

As the bank's exposure for the year in respect of risk category wise country exposure (Foreign exchange transactions) is less than 1% of total assets of the bank, no provision is considered necessary.

3.7.4 Details of Single Borrower Limit (SBL)/ Group Borrower Limit (GBL) exceeded by the bank.

A. SBL exceeded by the Bank for the period 01/04/2017 to 31/03/2018 NIL (PY NIL)

B. GBL exceeded by the Bank for the period 01/04/2017 to 31/03/2018 NIL (PY NIL)

3.7.5 Unsecured Advances (Amount of Advances for which, intangible securities has been taken):

(₹ in crore)

Particulars	As on 31-3-2018	As on 31-3-2017
The total amount of Advances for which intangible Securities such as charge over the rights, licenses, Authority etc. has been taken.	NIL	21.91
Estimated value of such intangible collaterals	NIL	66.80

3.8 Miscellaneous

3.8.1 Disclosure of Penalties imposed by RBI:

A penalty of ₹ 1,63,500/- has been imposed on account of Counterfeit Notes detected in currency chest transactions and a sum of ₹ 13,830/- by CCIL for shortfall in maintenance of margin in SGF deals.

4. Disclosure in terms of Accounting Standards:

4.1 Accounting Standard 5: Net Profit or Loss for the period, prior period items and changes in Accounting Policies:

There are no material prior period income and expenditure included in the Profit & Loss account, which requires a disclosure as per Accounting Standard 5

There has been no change in the Accounting policies followed by the bank during the year ended 31.03.2018 as compared to those in the preceding financial year ended 31.03.2017.

4.2 Accounting Standard 9: Revenue Recognition:

Bank is following accrual method of accounting and hence no disclosure is warranted under Accounting Standard 9

4.3 Disclosure in terms of AS 10 - Fixed Assets (Revaluation of Premises):

In accordance with banks stated policy, revaluation of the premises in its fixed assets portfolio was carried out during the years 2010-11 & 2015-16 by the bank using the services of Banks approved empanelled Independent valuers. Appreciation arising out of such revaluation was accounted with corresponding credit to Revaluation Reserves. The details are as under

(₹ in crore)

Original Cost of Premises	65.24
Incremental Value on account of revaluation made in 2011 - ₹ 81.51	
Incremental Value on account of revaluation made in 2016 - ₹ 93.98	175.49
Depreciation on Original Cost - ₹ 11.85	
Depreciation on Revalued Cost - ₹ 8.24	20.09
Written Down Value of such revalued assets	220.64

4.4 Accounting Standard 15 - Employee Benefits:

4.4.1 The bank is following Accounting Standard 15 (Revised 2005) "Employee Benefits" as under:

In respect of contributory plans viz. - Provident Fund and Contributory Pension Scheme, the bank pays fixed contribution at pre-determined rates to a separate entity, which invests in permitted securities. The obligation of the bank is limited to such fixed contribution.

In respect of Defined Benefit Plans, viz. Gratuity and pension as well as for leave encashment, provision has been made based on actuarial valuation as per the guidelines.

The summarized position of Post-employment benefits and long term employee benefits recognized in the profit and loss account and balance sheet as required in accordance with the Accounting Standard -15 (Revised) are as under:

I. Principal Actuarial Assumptions at the Balance Sheet Date: (Expressed as weighted Averages)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Discount Rate	7.71%	7.71%	7.71%
Salary Escalation Rate	5.00%	5.00%	5.00%
Attrition Rate	4.00%	4.00%	4.00%
Expected Rate of return on Plan Assets	8.50%	7.03%	–

II. Change in the Present value of obligations: (₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Present Value of obligations as at the beginning of the year	71.81	294.85	46.82
Interest Cost	5.25	21.08	3.41
Current Service Cost	5.94	48.94	3.89
Past service cost (non-vested benefits)	0.00	0.00	0.00
Past service cost (vested benefits)	0.00	0.00	0.00
Benefits Paid	7.34	43.00	5.12
Actuarial loss / (gain) on obligation (balancing figure)	-3.56	11.46	7.03
Present Value of obligations as at the year end	87.12	333.33	56.04

III. Change in Fair Value of Plan Asset: (₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Fair value of Plan Assets at the beginning of the year	67.41	289.86	0.00
Expected return on Plan Assets	5.73	20.38	0.00
Employer's Contribution	11.30	38.20	0.00
Benefits Paid	7.34	43.00	0.00
Actuarial loss / (gain) on plan assets (balancing figure)	11.88	32.97	0.00
Fair Value of Plan Asset at the end of the year	88.98	338.41	0.00

IV. Actual Return on Plan Assets: (₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Expected return on plan assets	5.73	20.38	0.00
Actuarial gain / (loss) on plan assets	11.88	32.97	0.00
Actual return on plan assets	17.61	53.35	0.00

V. Actuarial Gain / Loss recognized: (₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Actuarial gain / (loss) for the Period - Obligation	-3.56	11.46	7.03
Actuarial gain / (loss) for the Period - Plan Assets	11.88	32.97	0.00
Total (gain) / loss for the period	8.32	44.43	7.03
Actuarial (gain) / loss recognized in the period	-15.44	-21.51	7.03
Unrecognized actuarial (gain) / loss at the end of the year	0.00	0.00	0.00

VI. Amount recognized in Balance Sheet: (₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Present value of the Obligation	87.12	333.33	56.04
Fair value of plan assets	88.98	338.41	0.00
Difference	1.86	5.09	56.04
Unrecognized Transitional liability	0.00	0.00	0.00
Unrecognized past service cost (non vested benefits)	0.00	0.00	0.00
Liability recognized in the Balance Sheet	1.86	5.09	56.04

VII. Expenses Recognized in Profit & Loss Account: (₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Current Service Cost	5.94	48.94	3.89
Interest Cost	5.25	21.08	3.41
Expected return on Plan assets	5.73	20.38	0.00
Net actuarial (gain) / loss recognised in the year	-15.44	-21.51	7.03
Transitional Liability recognized in the year	0.00	0.00	0.00
Past service cost (non-vested benefits)	0.00	0.00	0.00
Past service cost (vested benefits)	0.00	0.00	0.00
Expenses Recognized in Profit & Loss Account	5.04	28.13	14.34

VIII. Movements in the Liability Recognized in the balance Sheet (₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Opening net Liability*	4.40	4.99	0.00
Opening amount determined under para 55 of AS15R	0.00	0.00	0.00
Expense as Above	5.04	28.13	14.34
Contribution paid	11.30	38.20	0.00
Closing Net Liability*	-1.86	-5.09	14.34

* Net liability = obligation minus funded / provisions.

(₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Opening balance	71.81	294.85	46.82
Closing balance	87.12	333.32	56.04

IX. Amount for the Current Period: (₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Present value of Obligation	87.12	333.33	56.04
Plan Assets	88.98	338.41	0.00
Surplus / (Deficit)	1.86	5.09	56.04

X. Major categories of Plan Assets: **(As % of Total Plan Assets)**

Particulars	Gratuity (Funded)	Pension (Funded)
Government of India Securities	57.74	22.19
High Quality Corporate Bonds	23.02	15.08
Equity Share of listed companies	0.00	0.00
Property	0.00	0.00
Special Deposit Scheme	1.21	0.00
Equity Mutual fund	1.60	0.00
Balance with Bank Account	4.57	0.70
Balance held at LIC India's Running account	0.00	36.95
Annuity under Return of Purchase Price	0.00	17.04
Amount Receivable from Bank	10.20	6.98
Others (Interest Receivables)	1.66	1.06
Total	100.00	100.00

XI. Enterprises Best Estimate: (₹ in crore)

Particulars	Gratuity	Pension	Leave Encashment
Enterprise's Best Estimate of Contribution during next year	6.99	22.34	0.00

4.4.2 Enhancement in Gratuity Limits:

Ministry of Labour and Employment, Government of India on 29th March, 2018 enhanced the gratuity payable to an employee under Payment of Gratuity Act, 1972 to not exceed ₹ 20 lakh from earlier limit of ₹ 10 lakh. Employee cost for the quarter ended 31st March, 2018 recognises the 1/4th of impact of this change amounting to ₹ 3.75 crore. The unamortised amount on this account stood at ₹ 11.27 crore as on 31.03.2018 and will be spread over the next three quarters, as permitted by RBI vide DBR.BP.9730/21.04.018/ 2017-18 dated 27.04.2018.

4.5 Employee Stock Option Scheme:

As on 31.03.2017, number of options in force were 30,99,708. The Compensation Committee of the Board of Directors granted 32500 stock options on 22.02.2018 to top Executives of the Bank under the Lakshmi Vilas Bank Employees Stock Option Scheme 2010 - LVB ESOS 2010. As on 31st March, 2018, the options in force are 22,19,431. The Bank has provided a sum of ₹ 3.80 crore towards proportionate compensation expenses for the year ended 31st March 2018.

4.6 Accounting Standard 17 - Segment Reporting:

SEGMENT REPORTING - MARCH 2018

PART A : BUSINESS SEGMENTS (₹ in crore)

Particulars	Year ended 31-3-2018 (Audited)	Year ended 31-3-2017 (Audited)
1. **SEGMENT REVENUE** :		
a. Treasury operations	**779.96**	866.31
b. Corporate / wholesale banking operations	**776.30**	933.22
c. Retail banking operations	**1811.37**	1522.62
d. Other banking operations	**20.80**	27.27
TOTAL	**3388.43**	3349.42
2. **SEGMENT RESULTS** (Operating Profit):		
a. Treasury operations	**143.21**	310.42
b. Corporate / wholesale Banking operations	**58.59**	129.04
c. Retail banking operations	**136.70**	170.68
d. Other banking operations	**16.88**	23.92
TOTAL	**355.38**	634.06
OPERATING PROFIT	**355.38**	634.06
PROVISIONS OTHER THAN TAX	**1306.15**	253.98
PROFIT BEFORE TAX	**-950.78**	380.07
Less : Tax expenses	**-365.91**	124.00
NET PROFIT	**-584.87**	256.07
3. **CAPITAL EMPLOYED :**		
a. Treasury operations	**605.04**	103.31
b. Corporate/wholesale banking operations	**188.55**	315.47
c. Retail banking operations	**389.68**	1179.80
d. Unallocated Assets	**1144.40**	537.76
TOTAL	**2327.67**	2136.34

PART B - GEOGRAPHICAL SEGMENTS : Since the Bank is having domestic operations only no reporting is made under international segment.

4.7 Accounting Standard 18 - Related Party Disclosures:

Payment to and Provision for Employees includes remuneration paid to Key Managerial Persons of the Bank for the period from 01/04/2017 to 31/03/2018, as detailed below:

S. No.	Name	Designation
1	Mr. Parthasarathi Mukherjee	Managing Director
2	Mr. N.S. Venkatesh (up to 21.10.17)	Executive Director & CFO
3	Mr. N. Ramanathan	Company Secretary

(₹ in crore)

Items / Related Party	Parent (as per ownership or control)	Subsidiaries	Associates / Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Total
Borrowings	NIL	NIL	NIL	NIL	NIL	NIL
Deposits	NIL	NIL	NIL	NIL	NIL	NIL
Placement of Deposits	NIL	NIL	NIL	NIL	NIL	NIL
Advances	NIL	NIL	NIL	NIL	NIL	NIL
Investments	NIL	NIL	NIL	NIL	NIL	NIL
Non-Funded Commitments	NIL	NIL	NIL	NIL	NIL	NIL
Leasing / HP arrangements provided	NIL	NIL	NIL	NIL	NIL	NIL
Leasing / HP arrangements availed	NIL	NIL	NIL	NIL	NIL	NIL
Purchase of Fixed Assets	NIL	NIL	NIL	NIL	NIL	NIL
Sale of Fixed Assets	NIL	NIL	NIL	NIL	NIL	NIL
Interest Paid	NIL	NIL	NIL	NIL	NIL	NIL
Interest Received	NIL	NIL	NIL	NIL	NIL	NIL
Rendering of Services	NIL	NIL	NIL	NIL	NIL	NIL
Receiving of Services	NIL	NIL	NIL	6.47*	NIL	6.47
Management Contracts	NIL	NIL	NIL	NIL	NIL	NIL

*Salary for MD pertaining to February 2018 & March 2018 has been waived.

4.8 Accounting Standard 20 - Earnings per Share (EPS):

EPS calculation in accordance with the AS-20 issued by the ICAI is as under:

Particulars	2017-18	2016-17
Net profit after Tax (₹ In Crore)	-584.87	256.07
Weighted Average - No. of Equity shares	206,752,598	181,992,723
Weighted Average - No. of Diluted Equity shares	208,046,949	183,513,537
Earnings per share - Basic (₹)	-28.29	14.07
Earnings per share - Diluted (₹)	-28.11	13.95

4.9 Accounting Standard 22 - Accounting for Taxes on Income:

The Bank has recognized net Deferred Tax Assets as on 31st March, 2018 aggregating to ₹ 464.95 crore (PY ₹ 65.22 crore) on timing differences pertaining to surplus provision for doubtful advances, Provision for Standard Advances, Leave Encashment, Special Reserve etc in accordance with Accounting Standard - 22 on "Taxes and income" issued by the Institute of Chartered Accountants of India. The major components of DTA / DTL are furnished as under:

(₹ in crore)

Particulars	Deferred Tax Assets		Deferred Tax Liabilities	
Deferred Tax Components	**2017-18**	2016-17	**2017-18**	2016-17
Provision for leave encashment	**18.32**	16.20	**0.00**	0.00
Depreciation on fixed assets	**0.00**	0.00	**11.84**	7.72
Provision for wage arrears	**3.81**	0.00	**0.00**	0.00
Provision for other assets	**2.97**	24.23	**0.00**	0.00
Provision for advances	**472.80**	97.66	**0.00**	0.00
Special Reserve u/s 36(i)(viii)	**0.00**	0.00	**21.82**	21.61
Depreciation in market value of investments	**0.00**	0.00	**0.00**	33.49
Others	**0.71**	0.81	**0.00**	10.86
CLOSING BALANCE	**498.61**	138.90	**33.66**	73.68
Net DTA	**464.95**	65.22		

4.10 Intangible Assets AS 26:

The Bank has followed AS 26 - Intangible asset and the guidelines issued by the RBI in this regard.

4.11 Accounting Standard 28 - Impairment of Assets:

A substantial portion of the bank's assets comprises financial assets to which Accounting Standard 28 is not applicable. In the opinion of the bank management, there is no impairment of other assets as at 31st March 2018 requiring recognition in terms of the said standard.

4.12 Details of movement in provisions in accordance with Accounting Standard 29:

(₹ in Crore)

Particulars	Opening as on 01.04.2017	Provision made during the year	Provision reversed / adjusted	**Closing as on 31.03.2018**
Prov. for Standard Assets	87.40	10.91	0.00	**98.31**
Prov. for Bad and Doubtful debts	170.43	1302.13	303.51	**1,169.05**
Prov. for Income Tax	370.85	33.82	0.00	**404.67**
Prov. for depreciation in market value of Investments	51.40	53.33	4.28	**100.45**
Prov. for Other assets	3.78	4.71	0.00	**8.49**
Counter cyclical buffer	14.71	0.00	0.00	**14.71**
Prov. for Interest Tax	0.10	0.00	0.00	**0.10**
Prov. for Fringe Benefit Tax	1.90	0.00	0.00	**1.90**
Prov. for Dividend (incl. Div. Tax)	0.00	0.00	0.00	**0.00**
Prov. for Restructured Advances & FITL	105.61	0.00	65.36	**40.25**
Provision for Foreign Currency Unhedged	2.27	0.00	0.24	**2.03**

5. Additional Disclosures:

5.1 Provisions and Contingencies: Break up of 'Provisions & Contingencies' shown under the head Expenditure in Profit & Loss Account

(₹ in crore)

Particulars	2017-18	2016-17
Provision towards Standard Asset	10.91	15.17
Provision towards NPA	1302.13	235.49
Provision for depreciation in market value of Investments	53.33	2.36
Provision for Restructured Advances (Economic sacrifice) & FITL	-64.68	0.33
Provision for Foreign Currency Unhedged	-0.25	0.57
Provision for Other Assets	4.71	0.06
Sub Total	1306.15	253.98
Provision for Income Tax (Net of deferred tax)	-365.91	124.00
Total	940.24	377.98

5.2 Movement of Counter Cyclical Provisioning Buffer:

(₹ in crore)

	Particulars	2017-18	2016-17
(a)	Opening balance in the account	14.71	14.71
(b)	Provision made in the accounting year	0.00	0.00
(c)	Amount of drawdown made during the accounting year	0.00	0.00
(d)	Closing balance in the account	14.71	14.71

5.3 Draw Down from Reserves: NIL

5.4 Disclosure of complaints

A. Customer Complaints:

(a)	No. of complaints pending at the beginning of the year	0
(b)	No. of complaints received during the year	358
(c)	No. of complaints redressed during the year	357
(d)	No. of complaints pending at the end of the year	1

ATM complaints through Dispute Management Systems (DMS)- NPCI

(a)	No. of complaints pending at the beginning of the year	9
(b)	No. of complaints received during the year	2783
(c)	No. of complaints redressed during the year	2770
(d)	No. of complaints pending at the end of the year	22

B. Awards passed by the Banking Ombudsman:

(a)	No. of unimplemented Awards at the beginning of the year	0
(b)	No. of Awards Passed by the Banking Ombudsmen during the year	0
(c)	No. of Awards implemented during the year	0
(d)	No. of unimplemented Awards at the end of the year	0

5.5 Disclosure of Letters of Comfort (LOCs) issued by Banks:

(₹ in crore)

Particulars	Amount
Letters of comfort issued in earlier years and outstanding as on 01-04-2017	11.57
Add; Letters of Comfort issued during FY 2017-18	50.92
Less: Letters of Comfort expired during FY 2017-18	0.76
Letters of Comfort Outstanding as on 31-03-2018	61.73

5.6 Provisioning Coverage ratio:

The provision coverage ratio of the Bank as on 31.03.2018 is 55.07%.

5.7 Bancassurance Business:

Fees, remuneration received from Bancassurance business:

For the year ended 31.03.2018, the bank received Gross Commission income of ₹ 10.73 crore from Bancassurance business, of which ₹ 7.81 crore was from life insurance segment and ₹ 2.91 crore was from general insurance segment.

5.8 Concentration of Deposits, Advances, Exposures and NPAs:

5.8.1 Concentration of Deposits:

(₹ in crore)

Total Deposits of twenty largest depositors	5,692.98
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	17.09

5.8.2 Concentration of Advances:

(₹ in crore)

Total Advances to twenty largest borrowers	3,609.81
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	12.30

5.8.3 Concentration of Exposures:

(₹ in crore)

Total Exposure to twenty largest borrowers/customers	3,986.94
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers /customers	13.03

5.8.4 Concentration of NPAs:

(₹ in crore)

Total Exposure to top four NPA accounts	524.21

5.9 Sector-wise Advances (As compiled by Management):

(₹ in crore)

Sl. No.	Sector	2017-18			2016-17		
		O/s Total Advances	Gross NPA	% of Gross NPAs to Total Advances in that Sector	O/s Total Advances	Gross NPA	% of Gross NPAs to Total Advances in that Sector
(A)	**Priority Sector**						
1.	Agriculture and allied activities	**3885.75**	**57.50**	**1.48%**	3553.27	20.49	0.58%
2.	Industries	**1451.89**	**152.42**	**10.50%**	1347.69	67.01	4.97%
3.	Services	**3348.24**	**226.47**	**6.76%**	2707.25	60.65	2.24%
4.	Personal Loans	**927.40**	**11.58**	**1.25%**	558.35	2.31	0.41%
	Sub Total (A)	**9613.28**	**447.97**	**4.66%**	8166.56	150.46	1.84%
(B)	**Non Priority Sector**						
1.	Agriculture and allied activities	**322.39**	**60.21**	**18.67%**	227.81	0.00	0.00
2.	Industries	**3986.19**	**1459.54**	**36.62%**	4001.24	287.80	7.19%
3.	Services	**4575.49**	**461.02**	**10.08%**	4729.35	63.04	1.33%
4.	Personal Loans	**2412.02**	**34.50**	**1.43%**	3067.36	38.79	1.26%
5.	Others	**6095.16**	**230.97**	**3.79%**	3766.14	100.11	2.63%
	Sub Total (B)	**17391.25**	**2246.24**	**12.92%**	15791.90	489.74	3.10%
	Total (A+B)	**27004.53**	**2694.21**	**9.98%**	23958.46	640.19	2.67%

5.9.1 Priority Sector Lending Certificates (PSLCs):

The amount of PSLCs sold/purchased during the year (category-wise) is required to be disclosed as per RBI/2015-16/366 FIDD.CO.Plan.BC.23/ 04.09.01/2015-16 dated: April 7, 2016.

During the year 2017-18, Bank has only purchased Priority Sector Lending Certificates (PSLCs) as detailed below:

(₹ in crore)

Sl. No.	Category of PSLC	O/S as on 31.03.2018
1	PSLC-Agriculture	**400**
2	PSLC-SF/MF	**Nil**
3	PSLC-Micro Enterprises	**Nil**
4	PSLC-General	**Nil**
	Total PSLC	**400**

5.10 Movement of NPAs

(₹ in crore)

Particulars	2017-18	2016-17
Gross NPAs as on 1st April (Opening Balance)	**640.19**	391.25
Additions (Fresh NPAs) during the year	**2916.02**	597.20
Sub-total (A)	**3556.21**	988.45
Less:- (i) Upgradations	**258.53**	26.48
(ii) Recoveries (excluding recoveries made from upgraded accounts)	**331.46**	230.27
(iii) Technical / Prudential write offs	**212.17**	88.55
(iv) Write-offs other than those under (iii) above	**59.84**	2.95
Sub-total (B)	**862.00**	348.26
Gross NPAs as on 31st March (closing balance) (A-B)	**2694.21**	640.19

5.10.1 Details of Technical write-offs and recoveries made:

(₹ in crore)

Particulars	2017-18	2016-17
Opening balance of Technical / Prudential written off accounts as at 1st April	393.13	345.39
Add: Technical / Prudential write offs during the year	212.17	88.55
Sub Total (A)	605.30	433.94
Less: Recoveries / reduction made from previously technical / prudential written - off accounts during the year (B)	54.59	40.82
Closing balance as on 31st March (A-B)	550.71	393.12

5.11 Overseas Assets, NPAs and Revenue

Particulars	(₹ in crore)
Total Assets	NIL
Total NPAs	NIL
Total Revenue	NIL

5.12 Off-balance Sheet SPVs sponsored :

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

5.13 Resolution Plan implemented for Stressed Asset:

The Banks are required to disclose resolution plan implemented for stressed assets as per the RBI Circular RBI/2017-18/131, DBR No.BP.BC.1010/21.04.048/2017-18 dated 12th February 2018 and is furnished as under:

(₹ in crore)

Particulars	No. of cases	Amount
Resolution Plan implemented @	Nil	Nil
Of which, Restructure approved cases	Nil	Nil
Of which, number of Cases with aggregate exposure of lenders is ₹ 1 Billion and above where Independent Credit evaluation (ICE) of the Residual debt is required by Credit Rating Agencies (CRA)	Nil	Nil
Of which, Number of cases with exposure Rs 5 Billion and above where 2 such Independent Credit evaluation (ICE) is required by CRA	Nil	Nil

@ The details furnished above excludes the borrower entities in respect of which specific instructions have already been issued by Reserve Bank of India to the banks for reference under IBC

5.13.1 Acquisition of Non-SLR securities due to conversion of debt during Restructuring process:

As per RBI Circular RBI/2017-18/131, DBR No.BP.BC.1010/21.04.048/2017-18 dated 12th February 2018, disclosure is made as under:-

Bank has acquired and held shares for an amount of ₹ 116.16 crore by way of conversion of debt to equity during various restructuring process implemented by the bank. This amount is not considered for the calculation of regulatory ceilings / restrictions on Capital Market Exposures, Investment in Para Banking activities and intra-Group exposure. However, there is no implication on compliance of the provisions of Section 19(2) of the Banking Regulation Act.1949.

5.13.2 Revised framework for resolution of stressed assets

The Reserve Bank of India vide its circular dated February 12, 2018 issued a revised framework for resolution of stressed assets, which superseded the existing guidelines on SDR, S4A etc., with immediate effect. Accordingly, the Bank has revoked the stand-still benefits for accounts where any of these schemes had been invoked but not yet implemented and classified them as per the extant RBI Guidelines on Income Recognition and Asset Classification, as given here below

5.13.3 Disclosures on Flexible Structuring of Existing Loans

(₹ in crore)

Period	No. of borrowers taken up for flexible structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
2017-18	1	Nil	36.00	5 years	25 years
2016-17	2	159.80	0.00	4.33 years	21.16 years

5.13.4 Disclosures on Strategic Debt Restructuring Scheme:

(₹ in crore)

Period	No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date 31.03.2017		Amount outstandng as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstandng as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
		Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
2017-18	5	Nil	261.50	Nil	Nil	Nil	261.50
2016-17	5	283.03	0.00	Nil	Nil	283.03	0.00

5.13.5 Disclosures on Change in Ownership outside SDR Scheme:

(₹ in crore)

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date 31.03.2018		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity / invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity / invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
Nil								

5.13.6 Disclosures on Change in Ownership of Projects Under Implementation:

No. of project loan accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		
	Classified as standard	Classified as standard restructured	Classified as NPA
Nil			

5.13.7 Disclosures on the scheme for Sustainable Structuring of Stressed assets (S4A)

(₹ in crore)

Period	No .of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision Held
			Part A	Part B	
2017-18	Classified as Standard	25.70	14.04	11.66	5.14
	Classified as NPA	NIL	NIL	NIL	NIL
2016-17	Classified as Standard	25.47	13.81	11.66	5.09
	Classified as NPA	NIL	NIL	NIL	NIL

5.14 Disclosure on Remuneration:

a. Qualitative disclosures:

(a)	Information relating to the composition and mandate of the Remuneration Committee.	The composition of the Nomination Remuneration and Compensation Committee of the Board as on 31st March 2018 is 4. The Committee is constituted as per regulatory requirements
(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	The latest amendment to the policy was approved by the HR Committee of the Board on 14th October 2015. Performance is evaluated based on Key Performance Indicators as approved by the Board.
(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	
(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with level of remuneration.	
(e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting	
(f)	Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.	ESOS and Performance Incentives are the components of variable remuneration.

b. Quantitative disclosures:

	Particulars	2017-18	2016-17
(g)	Number of meeting held by the remuneration committee during the financial year and remuneration paid to its members	Meeting of the Nomination, Remuneration and Compensation Committee of the Board (NRCCB) was held 6 times during FY 2017-18 and the total remuneration paid to the committee members in the form of sitting fees is ₹ 0.08 crore.	Meeting of the Nomination, Remuneration and Compensation Committee of the Board (NRCCB) was held 6 times during FY 2016-17 and the total remuneration paid to the committee members in the form of sitting fees is ₹ 0.08 crore
(h)	(i) Number of employees having received a variable remuneration award during the financial year.	₹ 0.12 crore (1 person)	NIL
	(ii) Number and total amount sign-on awards made during the financial year.	NIL	NIL
	(iii) a) Details of guaranteed bonus, if any, paid as joining / Sign on bonus.	NIL	NIL
	b) Details of performance Bonus / Allowance	NIL	₹ 0.12 crore (1 person)
	(iv) Details of severance pay, in addition to accrued benefits, if any.	NIL	NIL
(i)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and shares - linked instruments and other forms.	NIL	Grant of 3,10,000 shares to Executive Director & CFO and Company Secretary respectively under ESOS.
	(ii) Total amount of deferred remuneration paid out in the financial year	NIL	NIL

b. Quantitative disclosures: *(contd.)*

	Particulars	2017-18	2016-17
(j)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	to one person	No Risk Takers were paid Variable Pay No deferred and Non-deferred remuneration
(k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments.	NIL	NIL
	(ii) Total amount of reductions during the financial year due to ex-post explicit adjustments.	NIL	NIL
	(iii) Total amount of reductions during the financial year due to ex-post implicit adjustments.	NIL	NIL

5.15 Disclosures relating to securitization: NA

5.16 Credit Default Swaps: NIL

5.17 Intra – Group Exposure: (₹ in crore)

	Particulars	FY 2017-18
(a)	Total amount of intra-group exposures	NIL
(b)	Total amount of top-20 intra-group exposures	
(c)	Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	
(d)	Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	

5.18 Transfer to Depositors Education and Awareness Fund (DEAF): (₹ in crore)

Particulars	FY 2017-18	FY 2016-17
Opening balance of amounts transferred to DEAF	23.14	17.72
Add: Amounts Transferred to DEAF during the year	20.83	5.53
Less: Amounts reimbursed by DEAF towards claims	1.35	0.11
Closing balance of amounts transferred to DEAF	42.62	23.14

5.19 Unhedged Foreign Currency Exposure:

Based on the declaration received from borrowers, the bank has estimated and provided towards the liability for Unhedged Foreign Currency Exposure (UFCE) of their constituents in terms of RBI Circular No. DBOD.NO.BP.BC.85/21.06.200/2013-14 dated 15th January 2014 and the total provision held as of 31st March 2018 is ₹ 2.03 crore.

5.20 Details of Frauds occurred and Provision made during the year:

As per RBI Circular No.DBR. No. BP.BC.92/21.04.048/2015-16 dated April 18, 2016 required details are furnished:

(a)	Number of Fraud cases reported during the year	72
(b)	Amount involved (₹ In Crore)	157.97
(c)	Quantum of Provision made, net of recoveries of ₹ 5.29 Crore	146.92
(d)	Quantum of unamortized Provision debited from 'Other Reserves' (₹ In Crore)	NIL

In terms of RBI guidelines, the bank had opted to spread the provision required for the outstanding balances in advance related fraud accounts over a period of four quarters and consequently bank has fully absorbed the unamortised amount of ₹ 49.21 crore during the quarter ended 31st March 2018 (by corresponding reversal of the proportionate debit made earlier to Revenue and Other Reserves). The unamortized amount as at 31st March, 2018 is Nil.

6.1 Liquidity Coverage Ratio:

(₹ in Crore)

		2017-18		2016-17	
		Total Unweighted Value (Average)	**Total Weighted Value (Average)**	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets					
1.	Total High Quality Liquid Assets (HQLA)	**–**	**3995.87**	–	1189.87
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which	**4950.85**	**402.11**	3097.65	258.07
	(i) Stable Deposits	**1859.57**	**92.98**	1033.93	51.70
	(ii) Less stable Deposits	**3091.28**	**309.13**	2063.72	206.37
3	Unsecured wholesale funding, of which:	**2757.18**	**664.00**	1268.81	245.42
	(i) Operational deposits (all counterparties)	**14.68**	**3.67**	70.63	17.66
	(ii) Non-operational deposits (all counterparties)	**2742.51**	**660.33**	1006.50	95.49
	(iii) Unsecured debt	**0.00**	**0.00**	0.00	0.00
4	Secured Wholesale funding	**2796.41**	**0.00**	730.17	0.00
5.	Additional requirements, of which	**19825.36**	**1239.72**	4300.31	433.04
	(i) Outflows related to derivative exposures and other collateral requirements	**6.38**	**6.38**	10.22	10.22
	(ii) Outflows related to loss of funding on debt products	**0.00**	**0.00**	0.00	0.00
	(iii) Credit and Liquidity facilities	**720.16**	**130.84**	1775.90	152.98
6	Other contractual funding obligations	**200.87**	**200.87**	185.15	185.15
7	Other contingent funding obligations	**18897.95**	**901.62**	2309.37	69.28
8	Total Cash Outflows	**30329.81**	**2305.83**	9396.93	936.53
Cash Inflows					
9	Secured lending (e.g. reverse repos)	**57.94**	**0.00**	279.52	0.00
10	Inflows from fully performing exposures	**1713.00**	**856.50**	4736.26	2368.13
11	Other cash inflows	**76.99**	**41.70**	312.47	112.47
12	Total Cash Inflows	**1847.93**	**898.20**	5328.25	2480.60
					Total Adjusted Value
21	TOTAL HQLA		**3995.87**		1189.87
22	Total Net Cash Outflows		**1495.90**		369.68
23	Liquidity Coverage Ratio (%)		**267.12**		321.86

6.2 Qualitative disclosure around LCR

Based on RBI guidelines issued during June, 2014 and also other circulars subsequently thereon, the Bank has been computing the Liquidity Coverage Ratio with effective from 01st January, 2015. As per these guidelines, the Bank has high quality liquid assets (HQLA) into Level 1 and Level 2A/2B. As on 31.03.2018, the Bank has ₹ 4554.10 Cr of HQLAs, of which, the main contribution is from Level - 1 type of assets with ₹ 4329.07 Cr. The Level - 1 asset are in the form of surplus SLR investments / Excess CRR and Cash in Hand.

As on 31.03.2018, after applying the respective haircuts as mentioned by RBI guidelines on LCR, the Bank has total amount of ₹ 2668.90 Cr of cash outflows and ₹ 1224.67 Cr of cash inflows over the next 30 days period. Of this total amount of ₹ 2668.90 Cr of cash outflows, the major component is in the form of contingent funding liabilities and of the total ₹ 1224.67 Cr of cash inflows, the major cash inflows are in the form of amounts to be received from Non - Financial wholesale counterparties.

7. The disputed Income Tax demand outstanding as on 31.03.2018 amounts to ₹ 94.61 crore (previous year ₹ 100.43 crore) and is included under Item I of Schedule 12 (Contingent Liabilities). No provision is considered necessary in respect of the disputed liabilities in view of favorable decisions by various appellate authorities on similar issues.

8. The financial statement of the Bank includes Advances (net of provisions) of ₹ 25768 crore after adjustment of third party deposits amounting to ₹ 794 crore. The Bank has received legal notice questioning the said adjustment. As per legal opinion received by the Bank, the adjustment of deposits against loan is lawful.

In the process of adjustment of the deposits as mentioned above, there was a resultant shortfall in the maintenance of CRR for a short period. The Bank has already notified RBI of the same.

No legal or regulatory proceedings are pending against the Bank on account of the above.

9. Previous year's figures have been regrouped / reclassified wherever considered necessary to confirm to the current year's classification.

As per our report of even date attached

For **M/s. R.K. KUMAR & CO**
Chartered Accountants
FRN - 001595S

G.NAGANATHAN
Partner
M. No. 022456

Chennai
25th May, 2018

B.K. MANJUNATH
Chairman

PARTHASARATHI MUKHERJEE
Managing Director & CEO

S. SUNDAR
Chief Financial Officer

N. RAMANATHAN
Company Secretary

N. MALAYALARAMAMIRTHAM
Y.N. LAKSHMINARAYANA MURTHY
KUSUMA R MUNIRAJU
ANURADHA PRADEEP
HEMANT KAUL
G. SUDHAKARA GUPTA
H.S. UPENDRA KAMATH
SUVENDU PATI
RAJNISH KUMAR
Directors

LAKSHMI VILAS BANK

DISCLOSURE UNDER PILLAR III OF BASEL III NORMS AS ON 31.03.2018

I. SCOPE OF APPLICATION AND CAPITAL ADEQUACY

Table DF - 1

Scope of application

Lakshmi Vilas Bank is a private sector bank incorporated in the year 1926 at Karur. The bank doesn't have any subsidiaries under its Management. Hence the CRAR is computed on standalone basis only.

(i) Qualitative Disclosures:

List of group entities considered for consolidation.

List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation.

No group affiliation

(ii) Quantitative Disclosures:

List of group entities considered for consolidation.

Not applicable

The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:

Not applicable

The aggregate amounts (e.g. current book value) of the bank's total interests in insurance entities, which are risk-weighted:

Not applicable

Any restrictions or impediments on transfer of funds or regulatory capital within the banking group:

Not applicable

Table DF - 2

Capital Adequacy

Qualitative Disclosures:

(a) A summary discussion of the bank's approach for assessing the adequacy of its capital to support current and future activities

As per Basel III guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 10.875%. The given minimum capital requirement includes capital conservative buffer of 1.875%. The total capital to Risk Weighted Assets Ratio (CRAR) as per Basel III guidelines works to 9.81% as on 31.03.2018 (As against the minimum regulatory requirement of 10.875%). The tier I CRAR stood at 8.05%.

Quantitative Disclosures: (₹ in lacs)

Particulars	No of Equity Shares	Face Value Per share	Amount
Authorized Capital	50,00,00,000	10	50000.00
Issued Capital	25,80,12,279	10	25801.23
Subscribed Capital	25,59,93,753	10	25599.38
Called up/paid up Capital	25,59,93,753	10	25599.38

The Bank's shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Ltd.

During the financial year 2017-18, the bank has raised Capital funds of ₹ 761 Crores (net of expenses) through Rights issue for the purpose of fulfilling Capital Adequacy under Basel III norms.

Break up of capital funds: (₹ In lacs)

I. Tier I Capital Elements	
1. Paid up capital	25599.38
2. Reserves and surplus	197243.47
3. Gross Tier I Capital	222842.85
4. Less (Intangible Assets)	30171.54
5. Net Tier I Capital	192671.31

II. Tier II Capital Elements	
1. General Provisions and Loan loss Reserve	9846.78
2. Subordinated Debt (Lower Tier II bonds)	32498.00
3. Provision for restructured advances	728.74
4. Provision for unhedged foreign currency exposure	202.64
5. Gross Tier II capital	43276.16
6. Less (Cross holdings)	1200.00
7. Net Tier II Capital	42076.16

Break up of Capital Requirements: (₹ In lacs)

	Risk Type	
b)	**Capital requirements for Credit Risk**	**216384.31**
	Portfolios subject to standardized approach	
	Cash & Bank	706.22
	Loans and Advances	189974.89
	Fixed Assets	4012.97
	Other Assets	10207.13
	Off Balance sheet Exposure	11483.10
c)	**Capital requirements for Market Risk**	**25065.04**
	Standardized Duration approach	
	Interest Rate Risk	19937.85
	Foreign Exchange Risk (including gold)	564.42
	Equity Risk	4562.77
d)	**Capital requirements for Operational Risk**	**18711.86**
	Basic Indicator approach	18711.86
	Total Risk weight Assets (b+c+d)*100/10.875	**2392287.12**
	Total Eligible Capital Funds for CRAR	**234747.47**
	CRAR (Basel III)	**9.81%**

e) Common Equity Tier 1, Tier I and Total Capital ratios:

Common Equity Tier I - CRAR	8.05%
Tier I CRAR	8.05%
Total CRAR	9.81%

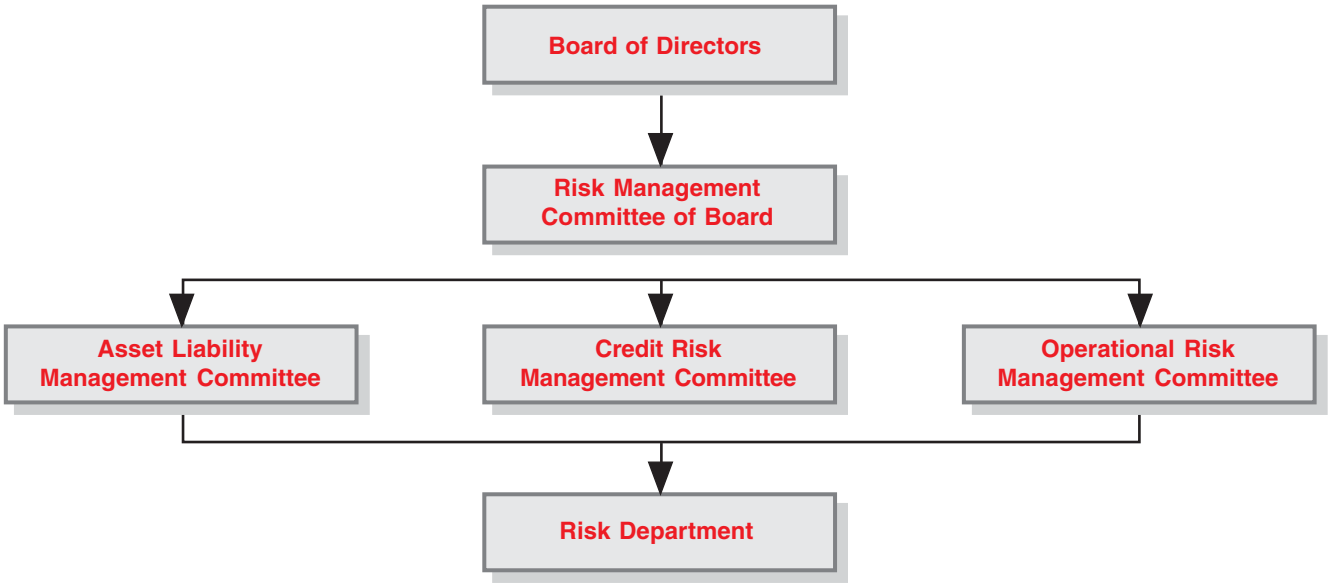
For the top consolidated group; and for significant bank subsidiaries - Not applicable

II. Risk Exposure and Assessment

General Qualitative Disclosure requirement:

The robustness of risk management framework of the Bank is being achieved mainly from identification/ assessment/ measurement and monitoring of various risks and managing on a continuous basis. The Bank strives to update the practices, policies and process involving risk by benchmarking itself to the best practices in risk management. Accordingly, steps are being planned into the future under guidance of the Board.

The Bank has in place a Risk Management Committee of the Board of Directors, basis the regulatory requirement for listed entities. The Board is responsible for framing, implementing and monitoring of Risk Management framework in the bank. For operational convenience, it has delegated its powers to various Committees as shown below.



The risk management processes are guided by well-defined policies appropriate for various risk categories viz., credit risk, market risk, and operational risk as per the respective regulatory and business requirements. Various policies such as Investment policy, Forex policy, ALM policy, Stress testing policy, Credit Risk Management Policy have been put in place to measure, mitigate the various risks within acceptable levels. The Bank has laid down Stress Testing policy to measure impact of adverse stress scenarios on the adequacy of capital and profit.

Organization Structure of Risk Department:

The Risk Department is headed by Chief Risk Officer who reports to the Managing Director and CEO of the Bank. The activities of the Risk Department are being overseen by the Risk Management Committee of the Board. The Department has separate team for individual areas of risk.

Credit Risk:

Credit risk is the risk of financial loss if a client, issuer of securities that the Bank holds or any other counterparty fails to meet its contractual obligations. Credit Risk arises from all transactions that give rise to actual, contingent or potential claims against any counterparty, borrower or obligor. The goal of credit risk management is to achieve reasonable levels of risk acceptable on the credit portfolio and generate risk-adjusted return on capital, targeted portfolio asset quality and management of the credit risk inherent in individual exposures as well as at the portfolio level. The emphasis is placed both on evaluation and management of risk at the individual exposures and analysis of the portfolio behavior.

Credit Risk Management policy:

A comprehensive Credit risk management policy is put in place and the same has been approved by Board. The Credit risk strategy of the bank is based on Risk appetite and risk-return profile and it is being reviewed yearly in CRM policy. The strategy of the bank shall provide continuity in approach considering cyclical approach of the economy and the resulting shifts in the composition and quality of the overall credit portfolio. It shall also include a statement of the banks willingness to grant credit based on exposure type (for example, commercial, consumer, real estate,etc.,), economic sector (e.g. textile, iron etc.), geographical location, currency, maturity, anticipated profitability, identification of target markets / business sectors (like priority sector lending) and the overall credit portfolio composition.

Credit sanction and approval processes:

The Bank has put in place a structured credit approval process, including a well-established procedure of comprehensive credit appraisal. Every extension of credit facility or material change of a credit facility to any counterparty requires credit approval at the appropriate authority level. The Bank has a multi-tier structure for sanction of credit proposals, with in delegation of lending powers at various levels of officers & executives, duly approved by Board.

The powers vested at each level depend on the quantum and type of the loan facility, Credit rating of the borrower and the overall exposure to the borrower/group.

Credit Rating System:

Internal risk rating remains the foundation of the credit assessment process, providing standardization and objectivity to the process. All sanctioning processes including the delegation of powers are linked to the ratings and the sizes of the exposure. The monitoring frequency applicable to the exposure also depends on the rating of the exposure. Individual borrower exposure ceilings linked to the internal rating and sector specific caps are laid down in the Credit policy to avoid concentration risk. Both credit and market risk expertise are combined to manage risks arising out of traded credit products such as bonds and market benchmarking related lending transactions.

Key sectors are analyzed in detail to suggest strategies for business, considering both risks and opportunities. Such analysis is reviewed by the Credit Risk Management Committee/ RMC-B / Various Credit Sanctioning Committees to arrive at the appropriate industry ceilings as well as define the origination and account management strategy for the sector. The Risk Management Committee of the Board periodically reviews the impact of the plausible stress scenarios covering inter alia increased regulatory prescriptions on provisioning requirements, rating downgrades, or drop in the asset values in case of secured exposures etc., on the portfolio. With a view to improve the credit quality, the approval of internal rating is now vested with Risk Department. During the year, bank has also put in place a revised internal credit rating system from a reputed agency.

Credit Review and Monitoring:

Bank has a dedicated monitoring department which looks after review and monitoring of bank's credit portfolio. The Bank has a system under which the lending powers exercised by delegated authority are reported to and reviewed by a higher authority under the Internal Loan Review Mechanism. The Pre-disbursement and post-disbursement processes have also been significantly improved through standardization and Centralization.

Market Risk:

Market risk is the risk of losses in 'on and off-balance sheet' positions arising from the movements in market price as well as the volatilities of those changes, which may impact the Bank's earnings and capital. The risk may pertain to interest rate related instruments (Interest rate risk), equities (equity price risk) and foreign exchange rate risk (currency risk). Market Risk for the Bank emanates from its trading and investment activities, which are undertaken both for the customers and on a proprietary basis. The Bank adopts a comprehensive approach to market risk management for its banking book as well as its trading book for its operations. The market risk management framework of the Bank provides necessary inputs regarding the extent of market risk exposures, the performance of portfolios vis-a- vis the market risk limits and comparable benchmarks, which provides guidance to the business in optimizing the risk-adjusted rate of return of the Bank's trading and investment portfolio.

Market risk management is guided by well laid down policies, guidelines, processes and systems for the identification, measurement, monitoring and reporting of exposures against various risk limits set in accordance with the risk appetite of the Bank. Treasury Mid-office independently monitors the Bank's investment and trading portfolio in terms of risk limits stipulated in the Market Risk Management. The bank is also investing in better systems to address operational and IT risks and help improve monitoring of market risk.

Operational Risk:

Operational risks may emanate from inadequate and/or missing controls in internal processes, people and systems or from external events or a combination of all the four. The Bank has in place an Operational Risk Management (ORM) Policy to manage the operational risk in an effective, efficient and proactive manner. The policy aims at assessing and measuring the magnitude of risks, monitoring and mitigating them through well-defined framework and governance structure.

The RMC at the apex level is the policy making body and is supported by the Operational Risk Management Committee (ORMC) responsible for the implementation of the Operational Risk framework of the Bank and the management of operational risks across the Bank.

All new products and processes, as well as changes in existing products and processes are subjected to risk evaluation by the Bank's Product and Change Management Committee. Outsourcing arrangements are examined and approved by the Outsourcing Committee of the Bank. The IT Systems and Security Committee/ Cyber Risk Committee of the Bank provide directions for mitigating operational risk in the information systems/ cyber issues. Comprehensive frameworks and processes help the Bank in managing and mitigating such risks.

The Bank has set up a comprehensive Operational Risk Management / Measurement System for identifying, documenting, assessing, measuring and periodic monitoring of various risks and controls linked to various processes.

The Business Continuity Management Committee (BCMC) exercises oversight on the implementation of the approved Business Continuity plan (BCP) framework, which has been put in place to ensure continuity of service for its customer base.

Further, the bank continuously examines its risk governance framework, the risk management practices, availability of adequate resources, appropriate systems and continuously strives to improve all these aspects. For example- Ensuring a strong set of experienced and skilled officials in Risk, strengthening the risk management at its Regions, acquiring improvised risk systems and continuously improving risk processes/ tools to be able to have the best of risk management practices in the globe.

Interest Rate Risk in Banking Book:

Interest Rate Risk is measured in two different ways. Earnings perspective using Traditional Gap Analysis is to assess the impact of adverse movement in interest rate on the Net Interest Income (Earnings at Risk) and economic value perspective using Duration Gap Analysis to assess the impact of adverse movement in interest rate on the market value of Bank's equity.

ALM policy will manage and monitor the limits / guidance values / target set on interest rate risk of the Banking Book. RMC-B and ALCO at the executive level are responsible for efficient and effective management of Interest rate risk in Banks business.

Scope and nature of risk reporting / measurement systems:

The Duration/ Modified duration mainly depends on coupon, maturity and periodicity of payment of installments. Since the modified duration of the liabilities is less compared to the modified duration of assets, there would be fall in the equity value under major stress. Modified duration of Equity is calculated on a quarterly basis. The Stress loss for Interest rate risk in banking book is assessed based on drop in the Market value of equity under 200 bps changes in interest rate. The results of Traditional Gap analysis and Duration Gap analysis including the adherence to tolerance limit set in this regard like , Buckets, Dynamic Liquidity, LCR, Bulk deposit, Retail term deposits are monitored and the same has been placed before ALCO/RMC-B level.

Liquidity Risk:

Liquidity is a bank's capacity to fund increase in assets and meet both expected and unexpected cash and collateral obligations at reasonable cost and without incurring unacceptable losses. Liquidity risk is the inability of a bank to meet such obligations as they become due, without adversely affecting the bank's financial condition. The Asset Liability Management policy of the Bank stipulates a broad framework for liquidity risk management to ensure that the Bank is in a position to meet its liquidity obligations as well as to withstand a period of liquidity stress from bank-level factors, market-wide factors or a combination of both.

The liquidity profile of the Bank is monitored on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically.

The Bank has integrated into the asset liability management framework, the liquidity risk management guidelines issued by RBI pursuant to the Basel III framework on liquidity standards. The Bank maintains the regulatory mandated LCR as per the transitional arrangement laid down by RBI and also ensures adherence to RBI guidelines on monitoring and management of liquidity including liquidity ratios.

Table DF - 3

Credit Risk

Credit Risk: General Disclosures

Qualitative Disclosures:

The general qualitative disclosure requirement with respect to credit risk, Includes the definitions of Past Due, NPA of a loan or a advance and impaired assets (For Accounting Purposes), Out of order and Overdue. These definitions are as per the extant guidelines of Reserve Bank of India.

Credit Risk:

Credit risk in simple terms is the potential that bank's borrower or counterparty will fail to meet its obligations in accordance with agreed terms.

Credit risk is defined as the possibility of losses associated with default in repayment or diminution in the credit quality of borrowers or counterparties or diminution in the value of primary and/or collateral assets. In a bank's portfolio, losses stem from outright default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions.

Discussion of the Bank's Credit risk management policy:

The Board level approved Credit Risk Management Policy is put in place. The goal of the policy is to ensure that it is within the acceptable risk appetite and tolerance limit set by the bank. It manages the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions and it encompasses identification, measurement, monitoring and control of the credit risk exposures. Further it deals the structure, governance, framework, and processes for effective and efficient management of the Credit risk.

Quantitative Disclosures:

Credit Risk Exposures: (₹ in lacs)

Fund Based *	2749425.97
Non Fund Based **	234932.79
Total Fund & Non Fund Based	**2984358.76**

* It excludes fixed assets, other assets, cash, bank balances, balance with RBI and investments under HTM category.

** Exposure without revaluation.

Geographic wise Distribution of Exposures: (₹ in lacs)

State Name	Funded Exposure	Non-Funded Exposure	Total Exposure
Andhra Pradesh	162493.48	4370.20	166863.68
Chhattisgarh	4869.88	406.73	5276.61
Gujarat	42229.80	5322.69	47552.49
Haryana	9283.91	1478.56	10762.47
Jharkhand	3622.34	0.00	3622.34
Karnataka	364262.86	10316.19	374579.05
Kerala	93211.65	87.31	93298.96
Madhya Pradesh	6147.61	22.00	6169.61
Maharashtra	712220.61	21540.41	733761.02
Delhi	122519.77	52233.34	174753.11
Odisha	1031.82	10.40	1042.22
Puducheery	9611.87	693.72	10305.59
Punjab	5.62	0.00	5.62
Rajasthan	11301.31	2.25	11303.56
Tamilnadu	958609.23	92761.67	1051370.90
Telangana	170015.96	29316.71	199332.67
Uttar Pradesh	2534.03	38.86	2572.89
West Bengal	75454.22	16331.75	91785.97
Total	**2749425.97**	**234932.79**	**2984358.76**

Industry Wise distribution of Exposures: (₹ in lacs)

S. No.	Industry Name	Funded Exposure	Non-funded Exposure	Total Exposure	% of total Exposure
1	All Engineering	21214.76	9475.43	30690.19	1.03
2	Basic Metal and Metal Products	113014.33	3696.27	116710.60	3.91
3	Beverages (excluding Tea & Coffee) and Tobacco	36471.42	2225.00	38696.42	1.30
4	Cement and Cement Products	2917.66	0.00	2917.66	0.10
5	Chemicals and Chemical Products (Dyes, Paints, etc.)	30601.62	20558.35	51159.97	1.71
6	Food Processing	22117.66	1083.16	23200.82	0.78
7	Gems and Jewellery	12115.84	1178.91	13294.75	0.45
8	Glass & Glassware	3158.20	5.67	3163.87	0.11
9	Infrastructure	209554.79	55589.94	265144.73	8.88
10	Leather and Leather products	451.34	2.00	453.34	0.02
11	Mining and Quarrying	21708.90	1454.10	23163.00	0.78
12	Paper and Paper Products	7156.85	199.00	7355.85	0.25

S. No.	Industry Name	Funded Exposure	Non-funded Exposure	Total Exposure	% of total Exposure
13	Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	914.65	444.91	1359.55	0.05
14	Rubber, Plastic and their Products	4682.80	28.57	4711.37	0.16
15	Textiles	108668.96	9499.80	118168.76	3.96
16	Vehicles, Vehicle Parts and Transport Equipments	2904.75	1.50	2906.25	0.10
17	Wood and Wood Products	9509.94	6874.16	16384.10	0.55
18	Other industries	33201.34	260.97	33462.31	1.12
	Residual Advances	2109060.16	122355.05	2231415.21	74.77
	Total	**2749425.97**	**234932.79**	**2984358.76**	

Note: The industries break-up given on the same lines as prescribed for DSB returns. Residual advances are educational loans, Housing loans, Gold loans, Loan against deposits, Personal loan, staff loan, consumer loans, vehicle loans, etc., The Industries which has crossed 5% of gross credit exposure are:

a) Infrastructure - 8.88%

Residual Contractual maturity breakdown of assets: (₹ in lacs)

	Cash	Balance With RBI	Balance with Other Banks	Investments	Repo-Asset	Advances	Fixed Assets	Other Assets
Overdue to Day 1	34415.68	2282.40	4064.37	359530.61	0.00	24603.99	0.00	629.00
2-7 Days	0.00	3553.14	0.00	27390.14	27000.00	48998.83	0.00	600.24
8-14 Days	0.00	2362.38	0.00	12696.48	0.00	52688.97	0.00	699.08
15-30 Days	0.00	3661.60	0.00	16585.34	0.00	230893.89	0.00	1396.37
31-60 Days	0.00	6242.51	0.00	28275.69	0.00	57833.11	0.00	3197.32
61-90 Days	0.00	5042.12	0.00	24813.59	0.00	123151.36	0.00	3094.66
3-6 Months	0.00	12906.62	0.00	60406.63	0.00	264164.81	0.00	8985.64
6 Months-1 Year	0.00	22760.87	0.00	112580.25	0.00	104143.13	0.00	0.00
1-3 Years	0.00	44213.50	63.00	215536.91	0.00	990933.72	0.00	106563.61
3-5 Years	0.00	4021.53	0.00	61938.41	0.00	309945.22	0.00	0.00
Over 5 Years	0.00	28354.60	25.00	164132.52	0.00	370832.66	40245.35	58372.63
Total	**34415.68**	**135401.26**	**4152.37**	**1083886.58**	**27000.00**	**2578189.70**	**40245.35**	**183538.54**

Asset Quality: (₹ in lacs)

Amount of Non-Performing Assets (Gross)	269421.15
Substandard	110973.86
Doubtful - 1	117079.13
Doubtful - 2	23257.25
Doubtful - 3	1119.24
Loss	16991.67
Net NPA	145788.98
Gross NPA to gross advances (%)	9.98%
Net NPAs to Net advances (%)	5.66%
Movement of NPAs (Gross)	
Opening Balance	64019.43
Additions during the period	291602.16
Reductions	86200.44
Closing Balance	269421.15

Movement of Provisions: (₹ in lacs)

	Specific Provision
Opening Balance	17042.54
Provisions made during the period	134316.17
Write off	27201.66
Write back of excess provisions	7251.96
Any other adjustments, including transfers between provisions	.....
Closing balance	116905.09

Details of write offs and recoveries that have been booked directly to the Income statement (₹ in lacs)

Write offs that have been booked directly to the income statement	6726.01
Recoveries that have been booked directly to the income statement	9151.31

Investments: (₹ in lacs)

Amount of Non Performing Investments	5258.11
Amount of provisions held for non-performing investments	3626.23
Movement of provisions for depreciation on Investments	
Opening Balance	5139.60
Provisions made during the period (April 2017 to March 2018)	5333.91
Write-off / Write - back of excess provisions	428.41
Closing Balance	10045.10

Major Industry break up of NPA: (₹ in lacs)

Industry	Gross NPA	Specific Provision
Infrastructure	69836.47	34518.36
Basic Metal and Metal Products	59304.02	14763.63
Mining and Quarrying	13881.14	5595.66
Textiles	13298.04	9369.00
Food Processing	9554.42	3079.46
Total	**165874.09**	**67326.11**

Geographic wise Distribution of NPA and Provision: (₹ in lacs)

Geography	Gross NPA	Specific Provision
Domestic	269421.15	116905.09
Overseas	–	–
Total	**269421.15**	**116905.09**

Table DF - 4

Credit Risk: Disclosures for portfolios subject to the Standardized Approach

a) For exposure amounts after risk mitigation subject to the standardized approach, amount of a bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted:

(₹ in lacs)

Particulars	< 100% Risk Weight		100% Risk Weight		> 100% Risk Weight		Grand Total	
	BV**	RWA**	BV	RWA	BV	RWA	BV	RWA
Fund Based								
Loans & Advances	1682447.35	693649.90	786404.86	717715.82	231601.22	335529.84	2700453.43	1746895.56
Investments	628736.82	0.00	0.00	0.00	0.00	0.00	628736.82	0.00
Other Assets*	343887.77	45732.04	40245.35	36900.88	21742.41	54620.68	405875.53	137253.60
Exposure under mitigation	401215.90	0.00	72033.51	0.00	98.74	0.00	473348.15	0.00
Total Fund Based outstanding	**2655071.94**	**739381.94**	**826650.21**	**754616.70**	**253343.63**	**390150.53**	**3735065.78**	**1884149.16**
Non Fund based (after applying CCF)	68576.10	29408.17	43802.61	32778.82	35124.37	43404.71	147503.08	105591.70
Total	**2723494.23**	**768732.23**	**867685.50**	**784696.80**	**288468.00**	**433555.24**	**3882568.86**	**1989740.86**

* Other assets include cash, balance with RBI, balance with other banks, fixed assets and others.

** BV: Book Value; RWA: Risk Weighted Assets

Table DF - 5

Credit Risk: Credit Risk Mitigation: Disclosures for Standardized Approaches

Qualitative Disclosures:

a) The general qualitative disclosure requirement with respect to credit risk mitigation including

Policies and process for and an indication of the extent to which the bank makes use of, on and off balance sheet netting;

- **Policies and processes for collateral valuation and management**

Bank has a policy and procedure for the management of collateral and guarantees.

Valuation is based on the current market value of the collateral and not biased in order to enable the bank, to grant a higher credit limit to the borrower or improve its internal credit rating, make a smaller amount of provision or continue interest accrual for a problem credit.

Further, collateral is revalued on a regular basis, though the frequency may vary with the type of collateral involved and the nature & the internal credit rating of the underlying credit e.g. frequency for shares and properties as collateral would be different.

Collaterals & guarantees are properly evaluated with respect to legal validity, enforceability in all relevant jurisdictions, etc., for the purpose of netting as credit risk mitigants as per the policy.

A more conservative approach is adopted for valuing the collateral of problem credits because the forced-sale value, rather than the open market value, is likely to be closer to what eventually may be realized from an asset sale when the market conditions are un-favorable. Therefore, a discount to the estimated market value should be applied where appropriate.

- **Description of the main types of collateral taken by the bank**

Under Standardized approach, the following collateral instruments used as risk mitigants for the capital computation.

1. Cash and fixed deposits of the Borrower with the Bank.
2. Gold (The value of the gold arrived after notionally converting into 99.99% purity)
3. Securities issued by Central and State Governments.
4. Kisan Vikas Patra and National Savings Certificates (with no lock-in period)

5. Life insurance policies with a declared surrender value of an insurance company which is regulated by an insurance sector regulator.
6. Debt Securities issued by Public Sector Entities and other entities (including banks and other primary dealers) rated by chosen rating agency attracting 100% risk weight or lesser risk weight (i.e. rated atleast BBB(-) or A3 for short-term debt instruments).
7. Debt Securities not rated by a chosen Credit Rating Agency in respect of which banks should be sufficiently confident about the market liquidity where these are
   a) Issued by a bank,
   b) Listed on a recognized stock exchange,
   c) Classified as senior debt and
   d) all the rated issues of the same senior by the issuing bank are rated atleast BBB (-) or A3 by a chosen Credit Rating Agency.
   e) The bank has no information to suggest that the issue justifies a rating below BBB (-) or A3 by a chosen Credit Rating Agency.
8. Units of Mutual Funds regulated by the securities regulator of the jurisdiction of the Bank's operation and mutual funds where
   a. A price for the units is publicly quoted daily i.e. where the daily NAV is available in public domain.
   b. Mutual fund is limited to investing in the permitted instruments listed.

- **Information about (market or credit) risk concentrations within the mitigation taken**

Majority of the exposures are retail exposures and insulated with adequate liquid collateral by way of cash margin, KVP, fixed deposits, National Savings Certificate, Life Insurance Policies etc for reducing the capital buffer after applying applicable haircuts in the respective securities.

Quantitative Disclosures:

a) For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on-or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts.

Credit Risk exposure covered by Eligible Financial Collaterals

(₹ in lacs)

Type of Exposure	Notional Exposure (After CCF)	Eligible Financial Collaterals	Net Exposure
On Balance Sheet	332800.33	365466.47	0.00
Off Balance Sheet	147503.08	28978.01	118525.07
Total	**480303.41**	**394444.48**	**118525.07**

b) For each separately disclosed portfolio the total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees/credit derivatives (whenever specifically permitted by RBI)

NIL

Table DF - 6

Securitization Exposure - Disclosure for Standardized Approach

Qualitative disclosures:

As per the RBI guidelines on Securitization exposure, investments by banks in securitized assets, representing loans to various categories of priority sector, except 'others' category, are eligible for classification under respective categories of priority sector lending (PSL) depending on the underlying assets.

Quantitative Disclosure – Banking Book:

Amount of Securitization Exposure (Purchased by Bank)	₹ 54259.81 lakhs

The securitized exposures in banking book are vehicle / MFI Loans. The Risk weight of the counterparty varies based on the underlying Assets.

Table DF - 7

Market risk in Trading Book

Qualitative disclosures:

Approach for Computation of Capital charge for Market Risk

Standardized Duration Approach is used for calculating Capital charge for Market Risk. Components under Market risk are

a) Specific Risk - Capital Charge for market risk is computed based on risk weights prescribed by the regulator.

b) General Market Risk is calculated for

Securities under HFT category

Securities under AFS category

Open foreign exchange position limits

Trading Positions in Derivatives

The total Capital charge for market risk is equal to greater of Specific Capital charge plus General Market Risk Capital Charge or Alternative total capital charge.

Quantitative Disclosures:

The capital requirements for:

• Interest rate risk	₹ 19937.85 lakhs
• Equity position risk	₹ 4562.77 lakhs
• Foreign exchange risk	₹ 564.42 lakhs

Table DF - 8

Operational Risk

The Bank has put in place comprehensive Operational Risk Management policy along with its frameworks (Risk & Control Self Assessment (RCSA), Key Risk Indicators (KRI) and Loss Data Management), Information System Security, Business Continuity and Disaster Recovery Management.

The Operational Risk Management Policy outlines the Organisation structure and covers the process of identification, assessment / measurement and control of various operational risks. Internal control mechanism is in place to control and minimize the operational risks. The Bank has since further strengthened the existing Operational risk framework by establishing sound governance committees at the Board level/ Senior Management level. Bank has designed and implemented the Operational risk Management Policy along with frameworks and processes for conducting Risk & Control Self assessment , Key risk indicators for monitoring certain key risks, Loss data management, Product /Change Management and Outsourcing of financial activities. Apart from these, bank is regularly conducting thematic studies and risk walk through based on internal / external risk perception.

Operational risk capital assessment:

Capital charge for operational risk is computed as per the Basic Indicator Approach. The average of the gross income, as defined in the New Capital Adequacy Framework guidelines, for the previous 3 years i.e., 2016-17,2015-16, 2014-15 is considered for computing the capital charge. The required capital is ₹ 18711.86 lakhs.

Table DF - 9

Interest Rate Risk in the Banking Book (IRRBB)

Interest Rate Risk in Banking Book (IRRBB) refers to the risk of loss in earnings and economic value of the Bank's Banking Book as a consequence of movement in interest rates. The Bank has significant portion of its assets and liabilities portfolio not marked to market and is carried on the books of the Bank at historical values. Thus, the economic value of such assets and liabilities is generally not ascertained on a regular basis and can be a significant source of risk if the asset or liability is not held till maturity.

IRRBB Earnings Perspective:

The immediate impact of changes in interest rates in the market is on bank's earnings by changing the Net Interest Income (NII). The interest rate risk when viewed from this perspective is known as **'Earnings Perspective'**.

The asset liability profile up to 6 months is 'asset sensitive'. The positive mismatches in the near term time buckets (up to 6 months) will be beneficial to the bank if the interest rates increases in the economy.

Interest Rate Risk – Economic Value Perspective:

The long-term impact of changes in interest rates in the economy will be on bank's Market Value of Equity **(MVE)** since the economic value of the bank's assets, liabilities and off-balance sheet positions get affected due to variations in market interest rates.

Duration Gap Analysis (DGA) for IRR management is a simple approach to measure the volatility of market value of equity (MVE) in response to the changes in interest rates in the economy.

Since the modified duration of the liabilities are less compared to the modified duration of assets, there would be a fall in the equity value under major stress. In order to bring down the percentage of fall in market value of equity and earnings at risk under major stress, we have been mobilizing term deposits with longer tenure i.e., 3-5 years and over 5 years. As longer the tenure of liabilities, higher will be the modified duration.

The level of IRRBB (Earnings Perspective & Economic Value Perspective) is being measured and monitored on a quarterly basis aiming at managing it within the limit over a period and minimizes the impact of interest rate movement on near term profitability.

Quantitative Disclosures:

The impact is calculated for a parallel shift of 200 bps across all the time buckets. The increase in NII is at ₹ 2860.20 lakhs and there would be fall of MVE by ₹ 42469.35 lakhs.

Table DF - 10

General Disclosure for Exposures related to Counterparty Credit Risk

Counterparty exposures for other entities are assessed subject to exposure ceilings as per the policy of the bank. Capital for Counterparty Credit Risk exposure is assessed based on the Standardized approach.

Bank does not have bilateral netting. The Credit equivalent amount of the derivative exposure is assessed based on the Current Exposure method.

Credit Exposure as on 31.03.2018 (₹ in lacs)

	Notional Amount	Gross Positive fair value of contracts	Potential Future Exposure	Total Credit Exposure
Forward Contracts	214655.80	1294.20	4372.47	5666.67

Table DF - 11

Composition of Capital

(₹ in lacs)

	Common Equity Tier 1 capital: instruments and reserves	
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	178574.99
2	Retained earnings	44267.86
3	Accumulated other comprehensive income (and other reserves)	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	
	Public sector capital injections grandfathered until January 1, 2018	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	
6	Common Equity Tier 1 capital before regulatory adjustments	222842.85
	Common Equity Tier 1 capital: regulatory adjustments	
7	Prudential valuation adjustments	
8	Goodwill (net of related tax liability)	
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	29996.04
10	Deferred tax assets	
11	Cash-flow hedge reserve	

12	Shortfall of provisions to expected losses	
13	Securitisation gain on sale	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	
15	Defined-benefit pension fund net assets	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	
17	Reciprocal cross-holdings in common equity	175.50
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	
20	Mortgage servicing rights (amount above 10% threshold)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	
22	Amount exceeding the 15% threshold	
23	*of which:* significant investments in the common stock of financial entities	
24	*of which:* mortgage servicing rights	
25	*of which:* deferred tax assets arising from temporary differences	
26	National specific regulatory adjustments (26a + 26b + 26c + 26d)	
26a	*of which:* Investments in the equity capital of the unconsolidated insurance subsidiaries	
26b	*of which:* Investments in the equity capital of unconsolidated non-financial subsidiaries	
26c	*of which:* Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	
26d	*of which:* Unamortized pension funds expenditures	
	Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	
	of which: [INSERT TYPE OF ADJUSTMENT]	
	For example: filtering out of unrealized losses on AFS debt	
	securities (not relevant in Indian context)	
	of which: [INSERT TYPE OF ADJUSTMENT]	
	of which: [INSERT TYPE OF ADJUSTMENT]	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	
28	**Total regulatory adjustments to Common equity Tier 1**	30171.54
29	**Common Equity Tier 1 capital (CET1)**	**192671.31**
	Additional Tier 1 Capital : Instruments	0.00
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	
31	*of which:* classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	
32	*of which:* classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	
35	*of which: instruments issued by subsidiaries subject to phase out*	
36	**Additional Tier 1 capital before regulatory adjustments**	

	Additional Tier 1 Capital: regulatory adjustments	
37	Investments in own Additional Tier 1 instruments	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
41	National specific regulatory adjustments (41a+41b)	
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	
	of which: [INSERT TYPE OF ADJUSTMENT e.g. DTAs]	
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 1 at 50%]	
	of which: [INSERT TYPE OF ADJUSTMENT]	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	
43	**Total regulatory adjustments to Additional Tier 1 capital**	
44	**Additional Tier 1 Capital (AT1)**	
44a	**Additional Tier 1 capital reckoned for capital adequacy**	
45	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)**	**192671.31**
	Tier 2 Capital : Instruments and provisions	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	32498.00
47	Directly issued capital instruments subject to phase out from Tier 2	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	
49	of which: instruments issued by subsidiaries subject to phase out	
50	Provisions	10778.16
51	**Tier 2 capital before regulatory adjustments**	**43276.16**
	Tier 2 Capital : regulatory adjustments	
52	Investments in own Tier 2 instruments	
53	Reciprocal cross-holdings in Tier 2 instruments	1200.00
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	
55	Significant investments[13] in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
56	National specific regulatory adjustments (56a+56b)	
56a	*of which:* Investments in the Tier 2 capital of unconsolidated subsidiaries	
56b	*of which:* Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment	
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%]	
	of which: [INSERT TYPE OF ADJUSTMENT]	
57	**Total regulatory adjustments to Tier 2 capital**	1200.00

58	**Tier 2 capital (T2)**	42076.16
58a	**Tier 2 capital reckoned for capital adequacy**	**42076.16**
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	0.00
58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	42076.16
59	**Total capital (TC=T1 + T2) (45 + 58C)**	234747.47
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment	
	of which: [INSERT TYPE OF ADJUSTMENT]	
	of which: ...	
60	**Total risk weighted assets (60a + 60b + 60c)**	**2392287.12**
60a	*of which:* total credit risk weighted assets	1989740.86
60b	*of which:* total market risk weighted assets	230483.13
60c	*of which:* total operational risk weighted assets	172063.13
	Capital ratios	
61	*Common Equity Tier 1 (as a percentage of risk weighted assets)*	8.05%
62	Tier 1 (as a percentage of risk weighted assets)	8.05%
63	Total capital (as a percentage of risk weighted assets)	9.81%
64	*Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)*	7.375%
65	*of which:* capital conservation buffer requirement	1.875%
66	*of which:* bank specific countercyclical buffer requirement	NA
67	*of which:* G-SIB buffer requirement	NA
68	*Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted Assets) (Including point no.65 of above)*	2.55%
	National minima (if different from Basel III)	
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%
71	National total capital minimum ratio (if different from Basel III minimum) *	9.00%
	Amounts below the thresholds for deduction (before risk weighting)	
72	Non-significant investments in the capital of other financial entities	
73	Significant investments in the common stock of financial entities	
74	Mortgage servicing rights (net of related tax liability)	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	
	Applicable caps on the inclusion of provisions in Tier 2	
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	10778.16
77	Cap on inclusion of provisions in Tier 2 under standardized approach	24871.76
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	
	Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)	
80	Current cap on CET1 instruments subject to phase out arrangements	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	
82	Current cap on AT1 instruments subject to phase out arrangements	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	
84	Current cap on T2 instruments subject to phase out arrangements	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	

* including capital conservation buffer

Notes to the Template

Row No. of the template	Particular	₹ in lakhs
10	Deferred tax assets associated with accumulated losses	
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	
	Total as indicated in row 10	
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	
	of which: Increase in Common Equity Tier I Capital	
	of which: Increase in Additional Tier I Capital	
	of which: Increase in Tier 2 Capital	
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	
	(i) Increase in Common Equity Tier I Capital	
	(ii) Increase in risk weighted assets	
44a	Excess Additional Tier I capital not reckoned for capital adequacy (difference between Additional Tier I capital as reported in row 44 and admissible Additional Tier I capital as reported in 44a)	
	of which: Excess Additional Tier I capital which is considered as Tier 2 capital under row 58b	
50	Eligible Provisions included in Tier 2 capital	10778.16
	Eligible Revaluation Reserves included in Tier 2 capital	0.00
	Total of row 50	10778.16
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	

Table DF - 13

Main Features of Regulatory Capital Instruments

S. No.	Disclosure template for main features of regulatory capital instruments	Equity Shares	Series - VII (B)	Series - VIII	Series - IX	Series - X
1	Issuer	LVB	LVB	LVB	LVB	LVB
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE694C01018	INE694C08047	INE694C08054	INE694C08062	INE694C08070
3	Governing law(s) of the instrument	Companies Act, SEBI Regulations, RBI Guidelines, and other related rules regulations etc	RBI Guidelines, SEBI Regulations, Companies Act and other related rules regulations etc	RBI Guidelines, SEBI Regulations, Companies Act and other related rules regulations etc	RBI Guidelines, SEBI Regulations, Companies Act and other related rules regulations etc	RBI Guidelines, SEBI Regulations, Companies Act and other related rules regulations etc
	Regulatory treatment					
4	Transitional Basel III rules	Common Equity Tier - I	Tier - II	Tier - II	Tier - II	Tier - II
5	Post-transitional Basel III rules	Common Equity Tier - I	Eligible	Eligible	Eligible	Eligible
6	Eligible at solo / group / group & solo	Solo	Solo	Solo	Solo	Solo
7	Instrument type	Common Shares	Unsecured Redeemable Non Convertible Subordinated (Tier- II) Bonds in the nature of Debentures (Bonds) Series - VII - Option B	Unsecured Non Convertible Redeemable Base III Complaint (Tier II) Bonds in the nature of Debentures (Bonds) Series - VIII	Unsecured Non Convertible Redeemable Base III Complaint (Tier II) Bonds in the nature of Debentures (Bonds) Series - IX	Unsecured Non Convertible Redeemable Base III Complaint (Tier II) Bonds in the nature of Debentures (Bonds) Series - X
8	Amount recognized in regulatory capital (₹ in lakhs)	25599.38	678.00	7810.00	14010.00	10000.00
9	Par value of instrument (₹ in lakhs)	₹ 10 per share	10.00	10.00	5.00	5.00
10	Accounting classification	Shareholders Equity	Liability	Liability	Liability	Liability
11	Original date of issuance	Various Dates	10.02.2012	24.03.2014	30.09.2015	09.06.2017
12	Perpetual or dated	Perpetual	Dated	Dated	Dated	Dated
13	Original maturity date	No Maturity	10.02.2022	24.03.2024	30.09.2025	09.06.2024
14	Issuer call subject to prior supervisory approval	No	–	–	–	–
15	Optional call date, contingent call dates and redemption amount	NA	The bank has not reserved any call option to redeem these bonds prior to their maturity. These bonds are redeemable at par.	The bank has not reserved any call option to redeem these bonds prior to their maturity. These bonds are redeemable at par.	The bank has not reserved any call option to redeem these bonds prior to their maturity. These bonds are redeemable at par.	The bank has not reserved any call option to redeem these bonds prior to their maturity. These bonds are redeemable at par.

S. No.	Disclosure template for main features of regulatory capital instruments	Equity Shares	Series - VII (B)	Series - VIII	Series - IX	Series - X
16	Subsequent call dates, if applicable	–	–	–	–	–
	Coupons / dividends	–	–	–	–	–
17	Fixed or floating dividend / coupon	–	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	–	11.40%	11.80%	11.50%	10.70%
19	Existence of a dividend stopper	NA	No	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No
22	Noncumulative or cumulative	Non-cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	NA	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	NA	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA	NA
30	Write-down feature	No	No	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA	NA	NA

S. No.	Disclosure template for main features of regulatory capital instruments	Equity Shares	Series - VII (B)	Series - VIII	Series - IX	Series - X
32	If write-down, full or partial	NA	NA	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA	All Depositors and other Creditor of the Bank	All Depositors and other Creditor of the Bank	All Depositors and other Creditor of the Bank	All Depositors and other Creditor of the Bank
36	Non-compliant transitioned features	–	–	–	–	
37	If yes, specify non-compliant features	–	–	–	–	

Table DF - 14

Full Terms and Conditions of Regulatory Capital Instruments

Details of Tier II Capital (Banks - Regulatory Capital instruments) raised by the Bank and the position as on 31.03.2018				
Instruments	**Series -VII (B)**	**Series - VIII**	**Series - IX**	**Series - X**
Date of Allotment	10.02.2012	24.03.2014	30.09.2015	09.06.2017
Date of Redemption	10.02.2022	24.03.2024	30.09.2025	09.06.2024
Rate of Interest	11.40%	11.80%	11.50%	10.70%
Amount	5050.00 Lacs	7810.00 Lacs	14010.00 Lacs	10000.00 Lacs
Nature of Instrument	Bonds in nature of Debentures (Bonds)	Bonds in nature of Debentures (Bonds)	Bonds in nature of Debentures (Bonds)	Bonds in nature of Debentures (Bonds)
Amount Subscribed	5050.00 Lacs	7810.00 Lacs	14010.00 Lacs	10000.00 Lacs
Face Value of the Bond	10.00 Lacs	10.00 Lacs	5.00 Lacs	5.00 Lacs
Issuance, Trading and Listing	N S E	N S E	N S E	N S E

Leverage Ratio (Solo)

Table DF - 18

Leverage Ratio Common Disclosure Template (₹ in lacs)

	Item	Leverage ratio framework
	On-Balance Sheet Exposure	
1	1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	4042922.60
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	5418.78
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	4037503.82
	Derivative Exposure	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	
5	Add-on amounts for PFE associated with all derivatives transactions	5190.09
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	
8	(Exempted CCP leg of client-cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	Total derivative exposures (sum of lines 4 to 10)	5190.09
	Securities Financing Transaction Exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	
14	CCR exposure for SFT assets	
15	Agent transaction exposures	
16	Total securities financing transaction exposures (sum of lines 12 to 15)	
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	234831.81
18	(Adjustments for conversion to credit equivalent amounts)	74619.53
19	Off-balance sheet items (sum of lines 17 and 18)	160212.28

(₹ in lacs)

	Item	Leverage ratio framework
	Capital and total exposures	
20	Tier 1 Capital	192671.31
21	Total exposures (sum of lines 3,11,16 and 19)	4202906.19
	Leverage Ratio	
22	Basel III leverage ratio (%)	4.58

Liquidity Coverage Ratio

(₹ in lacs)

		2017-2018	
		Total Unweighted Value (average)	Total weighted Value (average)
	High Quality Liquid Assets		
1.	**Total High Quality Liquid Assets (HQLA)**	**–**	**399586.85**
	Cash Outflows		
2	**Retail deposits and deposits from small business customers, of which**	**495085.35**	**40210.68**
	(i) Stable Deposits	185957.14	9297.86
	(ii) Less stable Deposits	309128.21	30912.82
3	**Unsecured wholesale funding, of which:**	**275718.30**	**66400.28**
	(i) Operational deposits (all counterparties)	1467.66	366.92
	(ii) Non-operational deposits (all counterparties)	274250.63	66033.36
	(iii) Unsecured debt	0.0000	0.0000
4	**Secured Wholesale funding**	**279641.25**	**0.0000**
5.	**Additional requirements, of which**	**1982536.44**	**123971.98**
	(i) Outflows related to derivative exposures and other collateral requirements	638.36	638.36
	(ii) Outflows related to loss of funding on debt products	0.0000	0.0000
	(iii) Credit and Liquidity facilities	72015.77	13084.02
6	Other contractual funding obligations	20087.31	20087.31
7	Other contingent funding obligations	1889795.00	90162.30
8	**Total Cash Outflows**	**3032981.33**	**230582.94**
	Cash Inflows		
9	Secured lending (e.g. reverse repos)	5793.71	0.0000
10	Inflows from fully performing exposures	171300.01	85650.01
11	Other cash inflows	7699.02	4169.61
12	**Total Cash Inflows**	**184792.74**	**89819.62**
			Total Adjusted Value
21	**TOTAL HQLA**		**399586.85**
22	**Total Net Cash Outflows**		**149590.08**
23	**Liquidity Coverage Ratio (%)**		**267.12**

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
The Lakshmi Vilas Bank Limited
Karur

We have examined the compliance of conditions of Corporate Governance by **M/s. Lakshmi Vilas Bank Limited** for the year ended 31st March, 2018 as stipulated under Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has compiled with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

We state that no investor grievance is pending for a period exceeding one month against the Bank and as per the records maintained by the Stakeholders Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

K. MUTHUSAMY
Company Secretary in Practice
M No: F 5865; CP: 3176

Place : Chennai
Date : 14.06.2018

Auditor's Certificate on ESOS

This is to certify that M/s. The Lakshmi Vilas Bank Ltd has implemented the Employees Stock Option Scheme 2010 (ESOS - 2010) & Employees Stock Option Scheme 2017 (ESOS - 2017) in accordance with the resolutions passed by the Shareholders on 04th August 2010 and 18th July 2017 respectively. The implementation of both the said Schemes is in accordance with the applicable SEBI Regulations.

During the FY 2017-18, the options have been granted under ESOS 2010 and no options have been granted under ESOS 2017.

For **M/s. R.K. KUMAR & CO.,**
Chartered Accountants
FRN - 001595S

(G. NAGANATHAN)
Partner
M. No. 022456

Place : Chennai
Date : 11.06.2018

Annexure - A

MANAGEMENT DISCUSSIONS AND ANALYSIS

Industry Developments:

RBI Industrial Outlook Survey of the Manufacturing Sector for the last quarter of the FY 2017-18 mentions that the overall financial situation has improved with positive sentiments on availability of finance, especially from internal accruals, outweighing higher cost. Overall, the business sentiment of the Indian manufacturing sector improved as seen in the Business Expectations Index (BEI)2 rising from 109.8 in Q3:2017-18 to 112.4 in Q4:2017-18.

Agriculture:

Agriculture plays a vital role in India's economy. The share of primary sectors (including agriculture, livestock, forestry and fishery) is estimated to be 20.4 percent of the Gross Value Added (GVA) during 2016-17 at current prices. GVA from the sector is estimated to have grown at 3 percent in FY18.

On a y-o-y basis, gross value added in agriculture and allied activities accelerated to 3.1 percent in H2:2017-18 from 2.7 percent in H1:2017-18, but decelerated significantly relative to H2:2016-17.

Agriculture & Rural Economy is one the most eagerly anticipated sectors which will drive the economy in the current fiscal. A total of ₹ 14.34 lakh crore (US$ 225.43 billion) is intended to be spent for creation of livelihood and infrastructure in rural areas. This creates huge opportunities for banks to take part in the growth of our Rural Economy. Institutional credit to the agriculture sector is targeted at ₹ 11 lakh crore (US$ 172.93 billion) for 2018-19, compared to ₹ 10 lakh crore (US$ 157.2 billion) for 2017-18. The upcoming Agri-Market Infrastructure Fund is expected to start with a corpus of ₹ 2,000 crore (US$ 314.41 million), with additional allocation to the National Rural Livelihood Mission.

India is expected to achieve the ambitious goal of doubling farm income by 2022. The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming years due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum support price.

Industrial Sector:

Gross value added in the industrial sector at basic prices accelerated to 6.8 percent in H2:2017-18 from 3.2 percent in the preceding half, with the turnaround occurring in Q2, but was lower than the growth registered last year. The strong performance of the manufacturing sector in Q3 was facilitated by robust sales growth that took the sector's GVA growth to 10.9 percent in nominal terms, while increasing raw materials costs were a drag. Of the 23 industry groups that form the manufacturing sector, production in 16 industries expanded during November-January 2017-18, indicating a wider base of output recovery.

Medium, Small and Micro Enterprises (MSMEs):

A total of ₹ 3,790 crore (US$ 596.43 million) has been provided in the Union Budget for the Fiscal 2018-19 for the MSME sector for credit support, capital and interest subsidy and innovations. Formalization in the MSME sector is happening at a rapid pace after the introduction of the Goods and Services Tax (GST) and demonetization. India, being a country with high degree of entrepreneurial orientation, is expected to make high use of the entrepreneurial energy within it in the current fiscal. Online loan sanctioning facility for MSMEs is expected to be completely revamped and banks and corporates are expected to join the Trade Electronic Receivable Discounting System (TReDS) platform which will be linked with the GSTN. Lending under the MUDRA Yojana is targeted at ₹ 3 lakh crore (US$ 47.16 billion). Additional measures are expected to be taken by the Government of India for growth and successful operation of alternate investment funds.

Infrastructure and Financial Sector Development:

Investments in excess of ₹ 50 lakh crore (US$ 786.02 billion) is required in the infrastructure segment to increase the growth rate of GDP. Accordingly, budgetary allocation for infrastructure is set at ₹ 5.97 lakh crore (US$ 93.85 billion) for 2018-19 which is a very positive sign. Allocations never seen before have been made to the rail and road sectors to boost infrastructure. Under the Smart Cities Mission, projects worth ₹ 2,350 crore (US$ 369.43 million) have been completed and projects worth ₹ 20,852 crore (US$ 3.82 billion) are under progress. A total of 99 cities have been selected under the mission with an outlay of ₹ 2.04 lakh crore (US$ 32.07 billion). This significantly boost the infrastructure requirements of Urban areas.

Service Sector:

Activity in the services sector picked up and became broad-based in H2:2017-18, buoyed by a sharp acceleration in construction activity and support from PADO (Public Administration, Defence and Other services). The recovery in the construction sector was also reflected in the robust growth in steel consumption and cement production. Indicators for real estate activity as reflected in sale of housing units launched, continued to decline across major cities as this sector is in the process of consolidation after the implementation of the RERA Act. Developers are focusing more on completing and delivering existing projects rather than launching new projects. Weak demand and a large overhang of unsold inventory are other retarding factors. Listed real estate companies' sales growth contracted by (-) 7.7 percent in Q3 post-RERA.

Opportunities and Threats:

Opportunities:

Economic activity is expected to accelerate with the strengthening of investment activity, supported by consumption demand and robust credit growth.

Further, the upgradation in India's Sovereign Rating by Moody's to Baa2, and change of outlook from stable to positive and with other factors is likely to have a favourable impact on the economy.

Robust credit growth to the industrial sector is expected to support capital formation and economic activity.

MSME sector plays a pivotal role in the economic and social development of the country. In the long run, Goods & Service Tax (GST) and other reforms are expected to be beneficial to the economy. If MSME/SMEs reflect their business/sales completely in their bank accounts, then banks will find it easier to extend credit facilities for business expansion and working capital.

Though demonetisation significantly affected retail sector credit growth in fiscal 2017, from fiscal 2016, growth was significantly higher than the industry and agriculture credit growth. The retail segment accounts for a fifth of overall systemic credit and derives a major share from housing finance. Consequently, it witnessed significant pain due to the demonetisation-driven slump in the real estate sector. However, some credit research report indicates that banks to continue focusing on the retail segment, due to its improving risk-reward ratio.

Threats:

The baseline projections of growth and inflation assumed are based on various assumptions. However, there are large uncertainties around these baseline assumptions, posing risks to the baseline projections.

(i) International Crude Oil Prices:-

The dynamics of oil prices over last quarter of 2018 highlight the volatility associated with the oil market. Global growth has surprised on the upside in recent quarters. If these conditions persist, global crude oil demand rises and hence prices could edge higher. There are chances of upward or downward movement of inflation depending upon the movement of world crude oil prices.

(ii) Global Growth:

The baseline scenario assumes global growth to gain upward momentum during 2018, buoyed by the boost to US investment demand from corporate tax cuts, strong activity in the euro area supported by accommodative monetary policy and improvement in growth prospects of Emerging Market Economies. There are upside risks to the baseline with the synchronised cyclical rebound, revival of global trade and easy financing conditions reinforcing each other. On the other hand, protectionist policies, continuing uncertainty associated with the pace and timing of normalisation of monetary policy in the US and other systemic central banks, and higher crude oil prices pose downside risks to global demand.

(iii) House Rent Allowances - Implementation by States

When all state governments implement increase in pay and allowances of the same order as the central government during the course of 2018-19, CPI inflation could turn out to be around 100 bps above the baseline on account of the direct statistical effect of higher HRAs, with additional indirect effects emanating from higher demand and increase in inflation expectations.

(iv) Exchange Rate

The exchange rate of the Indian rupee vis-à-vis the US dollar has moved in both directions during the last quarter of FY2018. Changing market perceptions about the pace and timing of monetary policy normalisation in the US, along with domestic inflation, fiscal slippage and current account balance developments, have been important factors driving exchange rate movements in the recent period and are likely to remain so in the near-term. With economic activity gathering pace in the euro area, uncertainty surrounding normalisation plans of the European Central Bank is likely to add to financial market volatility. The US macroeconomic

policy mix - easy fiscal policy in an environment when monetary accommodation is being withdrawn - can accentuate market volatility. On the other hand, with growth picking up in recent months, sound domestic fundamentals and the various initiatives taken by the Government to boost investment, India may continue to be an attractive destination for foreign investment, which could put upward pressures on the currency.

(v) Risks to Food Inflation

The baseline projections of growth and inflation assume a normal south-west monsoon, which is supported by early signals of likely ENSO (El Nino - Southern Oscillation) neutral conditions. Given the sensitivity of the agricultural sector to rainfall conditions, the actual growth and inflation dynamics would critically depend on the progress of the monsoon. If the monsoon is deficient and the budget proposals on MSPs lead to higher food prices, headline inflation could rise.

(vi) Fiscal Slippage

The Central Government's fiscal deficit for 2017-18 and 2018-19 is likely to be above initial expectations and the medium-term adjustment path has also been postponed. Given the present levels of the combined (centre and states) fiscal deficit, an increase in the fiscal deficit to GDP ratio by 100 bps could lead to an increase of about 50 bps in inflation. Apart from its direct impact on inflation, fiscal slippage has broader macro-financial implications, notably on economy-wide costs of borrowing which have already started to rise. These may feed into inflation and elevate it further.

Outlook of the Bank:

- The last year has been a roller coaster ride for the entire industry. Bank has started the year on a positive note with a lot of good work done in the aftermath of demonetization, RERA and GST implementation, but industrial production continued to nose dive, and this has affected the primary as well as ancillary industry.
- The completed year has taken a toll on the lending book. With major bad quality assets cleaned from its book, the reforms made in the operational aspects, with its vibrant line of businesses, relationship model of loans, the bank is all set to improve its performance in the year to come and redefine its market share.
- There is expectation of significant recoveries from the slippages in the current year. Recoveries are likely to happen either direct from the borrowers or through sale to ARCs / NCLT resolutions.
- The bank is focussed on raising additional capital and steps will be initiated so that significant amount of capital would be raised and that would take care of robust business plan for the next three years.
- Bank has taken steps to grow the retail business. In the first place, Bank has setup separate teams that are handling the retail business. Bank has also set up direct sales team for acquiring Retail business and has already opened retail assets centres in Bangalore and Chennai and plans to set up three more during the coming FY. Separate retail assets centres will be created to handle the back end operations so that the branches will be largely left to act as sourcing centres for the Bank.
- Corporate portfolio will continue to be a leader for the present. The Bank is planning to limit the ticket size of loans and in this direction, individual loan tickets would be made smaller and more manageable for the Bank. Nevertheless, the corporate book will continue to be the main stay though, there will be obviously lot more increased focus on SMEs and retail.
- Bank continues to focus on garnering low cost deposits through its CASA franchise network.
- After demonetization, there was more thrust on digitalisation. Topside was of course the orientation towards digitalization of economy which we expect will reap benefits in the years to come.
- In line with the Digital India push by the government, the bank has already entered the digital space by rolling out multiple digital banking products. Many of the branches will be converted into what will effectively be digital branches and the focus would be to increase the digital footprint of the bank. Bank will also install many cash dispensers; cash deposit machines and the recyclers in the branches.
- A Separate Transaction Banking vertical is created to increase the fee income of the bank by having a focused approach.
- Specialized branches (i.e.,) "Commercial Banking Branch" were opened at specified cities to handle the entire Post Sanction Credit Operations pertaining to Corporate, MSME Segment and Non-Retail Advances parked in various branches which are mapped to it. Their specified roles include Documentation including Security Creation, Disbursement, Monitoring, and Collection etc. This will help for the optimum use of available resource of skilled staff, standardization of system and process across the Bank and efficient monitoring & control of Non-Retail Advances centrally which would relieve the branches from credit and related operations and thereby help them focus on sourcing business and improving Non interest income. Considering the present volume of business in various Branches / Regions, Commercial Branches were opened in 7 cities covering all the Regions/ Branches. Their operation will be streamlined in the coming year which will boost better documentation and monitoring.

- Bank is in the process of upgrading its core banking system which is expected to be completed in the current year.
- Bank is planning to consolidate the business this year and opening of the further branches will be undertaken judiciously.
- The Bank benchmarks its operating standards continuously with the best practices in the banking industry, so as to ensure that our customers always receive services with high level of satisfaction. Towards this goal, the Bank plans to implement OFSAA - Oracle Financial Services Analytical Applications systems which will be operational in the coming year. The implementation will benefit the Bank in terms of-
  - Reconciled finance data & analytical results of their operations in one single repository.
  - Ability to perform enterprise stress testing and move towards efficient liquidity management.
  - Measurement of Profitability at Branch, Product, Region and Segment level after streamlined method of transfer price allocation.
  - Identifying, Monitoring, Investigating and reporting the incidents of fraud.

Risk & Concern

During the year the bank has taken steps to strengthen its risk management framework in order to keep pace with requirements in terms of RBI guidelines and Basel prescriptions. Towards this end, the bank has strengthened Risk Management team during the year through induction of senior and experienced professionals.

During the year there have been several meetings of executive level risk committees headed by MD or ED (till ED was with us). A number of steps have been taken under their aegis to improve control environment. The bank has also conducted studies in the area of IT Risk and steps are being taken to improve the bank's capabilities in the IT area from twin perspectives of business partnership and control environment. A comprehensive project to upgrade the risk management framework and practice and align to the advanced approach of Basel has been taken up during the year. This will improve bank's maturity level in the domain of risk. The risk management framework has been interlinked with process improvements to bring about lasting impact on bank's operations.

For the year ended March 31, 2018 the bank maintained a Capital Adequacy Ratio of 9.81% as against the regulatory required threshold of 10.875%. It may be noted that the bank raised additional Tier 1 (through Rights issue) capital of ₹ 761 Crores (net of expenses in connection with the rights issue) and appropriated to the Bank's book in Q4 of FY18, which led to the CRAR reaching the level of 12.80% at that point. However, accretion of Non-Performing Assets in FY 18 leading to higher provisioning requirements pulled down the bank's CRAR to 9.81% as on 31st March 2018. CRAR of 9.81% comprises of Tier I capital level at 8.05% and Tier II capital at 1.76%. In order to meet regulatory requirements and business requirements, the bank is working on raising further capital subject to approval of shareholders and regulators.

Internal Control Systems:

The Bank has put in place well-articulated internal control measures in tune with the complexity of business operations, organization's size and supervisory compliance standards. Dual control on transactions and assets, control returns review by controlling offices, periodic visit and review of branches by executives of controlling offices are a few major control mechanisms in place.

There is continuous review of the efficacy of the systems and the following audit & Inspections are carried out:

- Risk based Internal Audit to measure the risk in branches and work out mitigation.
- Credit Audit (Post Disbursement), Stock & Receivable Audit and Legal Audit.
- Revenue Audit/Income leakage audit and various snap audits to review specific areas of operation including compliance to inspection observation.
- Concurrent audit is carried out by empaneled Chartered Accountant Firms.
- Information System Audit is carried out by Information System Auditors and qualified External Auditors.
- Statutory Audit of Branches and controlling offices by Chartered Accountant Firms in terms of guidelines of the Reserve Bank Of India.
- Management Audit of Controlling offices / Departments at Corporate Office (C.O) by trained Internal Inspectors of Branches.

Software application has been implemented to enhance the efficiency and effectiveness of risk based internal audit and to have robust MIS on the risks and controls. Compliance function is strengthened through an independent compliance department and implementation of application software for monitoring statutory, regulatory and internal compliance. An executive level committee consisting of top executives reviews every inspection report and minutes of the committee meetings are reviewed by Audit Committee of the Board. The Audit Committee of the Board (ACB) oversees the entire audit function of the Bank and the compliance thereof.

Discussion on Financial Parameters with respect to Performance:

Business Segmentation:

Deposit	₹ in Crores	%	Advances	₹ in Crores	%
Demand Deposit	2091.26	6.28	Bills purchased & discounted	421.44	1.63
Savings Deposit	4924.87	14.78	Cash Credits, overdrafts & loans repayable on demand	15434.64	59.90
Term Deposit	26293.35	78.94	Term Loan	9912.12	38.47
Total	**33309.48**	**100.00**	**Total**	**25768.20**	**100.00**

- Business mix expanded by ₹ 5802.20 crore (10.64%) from ₹ 54511.81 crore to ₹ 60314.02 crore Y-o-Y.
- CASA portfolio has grown by ₹ 1176.05 crore from ₹ 5838.98 crore to ₹ 7015.03 crore CASA % increased from 19.11% to 21.06%.
- NIM for 2017-18 stood at 2.38% (PY 2.85%).
- Operating profit was ₹ 355.38 crore as against ₹ 634.06 crore
- Net Loss ₹ 584.87 crore for 2017-18 as against the net profit of ₹ 256.07 crore for 2016-17
- Cost to Income ratio increased to 68.76% (PY 50.67%)
- Asset quality - Gross NPA 9.98% (PY 2.67%) and Net NPA 5.66% (PY 1.76%)
- Provision Coverage Ratio at 55.07% (PY 59.51%)
- Capital Adequacy Ratio (Basel III) stood at 9.81% (PY 10.38%)
- ROA and ROE stood at (-)1.57% (PY 0.83%) and (-) 28.34% (PY 14.39%)

Staff / Industrial Relations

The Bank's staff strength has grown to 4623 at the end of the financial year 2017-18. Specialist Officers / Executives in Credit, Law, IT, Treasury, MSME, Retail Assets & Transaction Banking and other specialized verticals were recruited during the year. Manpower requirements were continuously assessed.Further, 504 Sales Personnel were also engaged to boost sales.The Bank maintains cordial relationship with the Employees' Union and Officers' Association which will pave way for fast-tracking the growth of the Bank and augment the productivity among peer levels.

Training is commensurate with the necessities of updating knowledge so as to equip human resources to meet the emerging challenges and newer forms of risk that are technology driven. Credit skills enhancement, NPA management, Risk Management, KYC compliance and Enhanced Customer Service are being emphasized by nominating the staff members to reputed external training institutions.

To focus on internal talent pool development, a well-defined succession planning programme has been put in place which may be summarized as follows:

I. Identification of Resources
   - Based on the selection criteria

II. Training & Mentoring of Successor
   - Training based identification for grooming
   - Short term additional assignment

Annexure - B

BOARD OF DIRECTORS AND COMMITTEES

The composition of the Board of Directors is governed by the provisions of the Companies Act, 2013, Banking Regulation Act, 1949,Listing Agreement entered with National Stock Exchange of India Limited, Mumbai and BSE Limited, Mumbai and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended to the extent applicable. The Board has 10 Directors as on 31.03.2018, of which 1 Director is an Executive Director, 3 Directors are Non-Executive and Non-Independent Director, 4 Directors are Independent Directors inclusive Non-executive Chairman and 2 Directors are RBI Nominees. None of the Directors are related to each other. The members of the Board are eminent persons with considerable professional expertise and experience in Banking, Law, Accountancy, Finance, Agriculture and Business.

During the year under review, sixteen (16) Board Meetings were held. The Meetings were held on 04.04.2017, 26.04.2017, 06.06.2017, 19.06.2017, 17.07.2017, 18.07.2017, 25.07.2017, 23.08.2017, 26.09.2017, 27.09.2017, 11.10.2017, 15.12.2017, 30.01.2018, 22.02.2018, 08.03.2018 and 28.03.2018.

Committees of Directors:

The Board has constituted various Committees of Board to deal with matters, which need special and continued focus and timely monitoring of the activities falling within the terms of reference of the Committees and in compliance with the various regulatory requirements. The details pertaining to the Directors, Composition of the Board Committees, the details of the Chairman and Members and the details of the Meetingsheld and that of the attendance during the year under review, are provided in Annexure C.

The details of such specialized Board Committees as on 31.03.2018 are as under:

Audit Committee:

Audit Committee of the Board, is chaired by Shri B.K.Manjunath (Non-Executive Chairman) an Independent Director. Audit Committee provides direction and oversees the operation of total audit function in the Bank as per RBI guidelines. The terms of reference of Audit Committee are inaccordance with RBI guidelines, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and include the following:

- Overseeing the Bank's financial reporting process and the disclosure of its financial information to ensure correct, adequate and credible disclosure of financial information.
- Recommending appointment, terms of appointment including remuneration and reviewing the performance of auditors including statutory auditors.
- Reviewing with management the annual financial statements before submission to the Board with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements.
- Reviewing the adequacy of the Audit and Compliance function, including their policies, procedures, techniques and other regulatory requirements.

During the year, Nine (9) meetings were held. The Meetings were held on 26.04.2017, 06.06.2017, 17.07.2017, 25.07.2017, 11.10.2017, 03.11.2017, 14.12.2017, 29.01.2018 and 21.02.2018.

Nomination, Remuneration and Compensation Committee:

The Committee is constituted as per the legal and regulatory requirements under the Banking Regulation Act, applicable SEBI Regulations and the Companies Act, 2013.

The scope of the Committee includes the following:

1. Scrutiny of the declarations submitted by the directors and for carrying out the due diligence process for the appointment of directors as per RBI Circular DBOD.No.BC.104/08.139.001/2003-04 dated 25.06.2004.
2. Overseeing the framing, review and implementation of compensation policy of the bank on behalf of the Board as laid down in the Reserve Bank of India circular No.BC 75/29.67.001/2011-12 dated January 13, 2012 being the guidelines issued on the compensation of Whole Time Directors / Chief Executive Officers / Risk takers and Control function staff, etc.
3. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

4. Formulation of criteria for evaluation of performance of Independent Directors and the Board;
5. Devising a policy on Board diversity;
6. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
7. Framing of detailed terms and conditions of the ESOS as per Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, besides the administration and superintendence of the ESOS scheme and to ensure that there is noviolation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, by any employee.

The scope and role of the Committee shall also include such other assignments as is and as may be assigned by the regulatory / statutory authorities from time to time.

The details pertaining to the criteria for performance evaluation for Independent Directors is mentioned in the Directors' Report.

During the year, six (6) meetings were held. The Meetings were held on 04.04.2017, 05.06.2017, 25.07.2017, 22.08.2017, 22.02.2018 and 07.03.2018.

Stakeholders Relationship Committee:

The Stakeholders Relationship Committee specifically looks into the redressal of grievances of shareholders and other security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends. Details of name of the Chairman & members of the Committee, Compliance Officer, meetings and attendance during the year are provided in another part of this Annual Report. The terms of reference of Stakeholders relationship Committee are in accordance with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.

During the year, four (4) meetings were held. The Meetings were held on 06.06.2017, 23.08.2017, 15.12.2017 and 22.02.2018.

Risk Management Committee:

The Risk Management Committee, constituted as per RBI guidelines, formulates Bank's credit and Market risk policies and reviews the Assets and Liabilities of the Bank based on periodical structural liquidity and dynamic liquidity statements on outflows and inflows and also analyses the interest rate sensitivity of assets and liabilities.

During the year, four (4) meetings were held. The Meetings were held on 28.06.2017, 28.09.2017, 14.12.2017 and 07.03.2018.

Fraud Monitoring Committee & Review Committee on Non-cooperative borrowers:

Pursuant to the Directions of the Reserve Bank of India, the Bank has constituted a Fraud Monitoring Committee, exclusively dedicated to the monitoring and following up of cases of fraud involving amounts of ₹ 1.00 crore and more. The objective of this Committee is the effective detection of frauds and ensuring prompt reporting thereof to regulatory and enforcement agencies. This Committee also functions as the Review Committee on Non-cooperative borrowers.

During the year, three (3) meetings were held. The Meetings were held on 10.08.2017, 27.09.2017 and 07.03.2018.

Customer Service Committee:

Pursuant to the Directions of the Reserve Bank of India, the Bank has constituted a Customer Service Committee exclusively dedicated to bring about improvement in the quality of customer service provided by the bank.

During the year, two (2) meetings were held. The Meetings were held on 22.08.2017 and 07.03.2018.

Management Committee:

Pursuant to the Directions of the Reserve Bank of India, the Bank has constituted a Management Committee of the Board which is vested with full powers for sanction / ratification of all kinds of loans and advances normally falling within the purview of the lending policies framed by the Board from time to time and full powers for approving compromise proposals in respect of loans and advances normally falling within the purview of the compromise policy framed by the bank from time to time and approval of capital and revenue expenditure, filing suits / appeals, premises approval, infrastructure improvement, investments and any other matter referred to / delegated to the Committee by the Board.

During the year, thirteen (13) meetings were held. The Meetings were held on 03.05.2017, 28.06.2017, 10.08.2017, 22.08.2017, 27.09.2017, 04.11.2017, 18.11.2017, 02.12.2017, 16.12.2017, 20.01.2018, 03.02.2018, 21.02.2018 and 27.03.2018.

IT Strategy Committee:

Pursuant to the Directions of the Reserve Bank of India, the Bank has constituted an IT Strategy Committee of the Board and the roles and responsibilities of this Committee includes oversight of the IT strategy and policy documents, measuring the contribution of IT to business and ensuring that the IT organizational structure complements the business model. The Committee also exercises the powers to approve all the proposals and their resultant expenditure pertaining to Information Technology and Alternate Channels & ATMs.

During the year, four (4) meetings were held. The Meetings were held on 03.05.2017, 28.09.2017, 15.12.2017 and 06.03.2018.

HR Committee:

The role of the HR Committee of Board includes powers for framing policies for recruitment, compensation, incentives, training, promotion, transfer, service conditions, disciplinary proceedings, performance appraisal, etc.

During the year, four (4) meetings were held. The Meetings were held on 25.07.2017, 10.08.2017, 03.11.2017 and 07.03.2018.

CSR Committee:

Formulated as per Section 135 and Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014, the Committee exercises such powers as laid down under the applicable provisions of the Act and the Rules thereto.

During the year, a meeting of the Committee was held on 28.06.2017.

Committee of Directors for Capital Raising:

The Board has constituted a Committee for Capital Raising, which deals with capital raising plans and such relevant scope as the Board may authorize from time to time.

During the year, four (4) meetings were held. The Meetings were held on 24.11.2017, 27.11.2017, 03.01.2018 and 22.02.2018.

Meeting of Independent Directors:

In accordance with Section 149(7) and Schedule IV of the Companies Act, 2013 an exclusive meeting of the Independent Directors of the Bank was held on 27.03.2018.

Wilful Defaulters Grievances Redressal Committee:

This Committee has been formulated in line with the RBI Master Circular on Willful Defaulter dated 01st July 2014 and 07th January 2015.

Details of Sitting Fees Paid to Directors:

All the Non-Executive Directors were paid remuneration only by way of sitting fees for each Board / Committee Meetings. No stock options were granted to any of the Non-Executive Directors. The Non-Executive Directors were paid ₹ 35,000/- as sitting fees which is within the limits prescribed under the Companies Act, 2013.

Additional Information pertaining to Directors' Retiring by Rotation:

At this 91st AGM, Smt. Anuradha Pradeep, Director is retiring by rotation and being eligible, offers herself for reappointment. The additional information to be provided to the Shareholders pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 about the retiring director seeking re-election is furnished in the Notice.

ANNEXURE - C

Composition of the Board of Directors together with the attendance at meetings of the Board, its Committees and Annual General Meeting and directorship held from 01.04.2017 to 31.03.2018

Name of the Director, DIN & No. of Shares held by them as on 31.03.2018	Chairman of the Board / Committee as on 31.03.2018	Representation as per Banking Regulation Act	Category as per SEBI (LODR) Regulations	Board (16 meetings)	Audit Committee (ACB) (9 meetings)	Stakeholders Relationship Committee (SRC) (4 meetings)	Management Committee of the Board (MCB) (13 meetings)	Risk Management Committee (RMC) (4 meetings)	Customer Service Committee (CSC) (2 meetings)	Fraud Monitoring Committee and Review Committee on Non-Cooperative Borrowers (FMC & RC on NCB) (3 meetings)	IT Strategy Committee of the Board (ITSC) (4 meetings)	HR Committee of the Board (HRC) (4 meetings)	Nomination, Remuneration & Compensation Committee (NRCC) (6 meetings)	Corporate Social Responsibility Committee (CSRC) (1 meeting)	Meeting of Independent Director (1 meeting)	COD on Capital Raising (4 meetings)	Annual General Meeting	No. of Other Director-ships held as on 31.03.2018	Name of the Other Companies in which he/she is a Director as on 31.03.2018	Other Companies in which he/she is a Chairman of any Committee
Shri B.K.Manjunath Non-Executive Chairman DIN 00319891 (No. of Shares: 212839) (From 06.06.2017)	ACB, CSRC & ED Search	Minority / Accountancy	Independent / Non-Executive	14	7	NA	12	NA	NA	NA	NA	2	4	1	1	4	YES	2	M/s.South Star Distilleries & Breweries Pvt. Ltd. M/s.Bhramaputra Power Pvt. Ltd.	Nil
Shri Parthasarathi Mukherjee Managing Director DIN 02446180 (No. of Shares: 480000)	RMC, FMC & RC on NCB, MCB, HRC, Capital Raising & WDRC	Majority - Banking	Non-Independent / Executive	16	NA	NA	13	4	2	3	4	4	NA	1	NA	4	YES	Nil	Nil	Nil
Shri N.S.Venkatesh Executive Director DIN 01893686 (Till 21.10.2017)		Majority - Banking	Non-Independent / Executive	11	5	NA	5	2	1	2	2	2	NA	1	NA	NA	YES	NA	NA	NA
Shri S.G.Prabhakharan DIN 00005140 (Till 22.06.2017)		Minority - Business	Non Independent / Non-Executive	4	2	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Shri S.Dattathreyan DIN 00724456 (Till 07.03.2018)		Majority - Small Business Enterprises	Independent / Non-Executive	11	7	4	NA	1	2	NA	NA	3	6	NA	NA	NA	YES	NA	NA	NA
Shri N.Malayalaramamirtham DIN 06846587 (No. of Shares:79634)		Minority - Business	Non Independent / Non-Executive	15	NA	4	13	NA	1	3	NA	NA	NA	NA	NA	NA	YES	Nil	Nil	Nil
Shri Pankaj Vaish DIN No.00367424 (Till 18.07.2017)		Majority - Information Technology	Independent / Non-Executive	5	2	NA	1	NA	NA	NA	1	NA	NA	NA	NA	NA	YES	NA	NA	NA
Shri Prakash P Mallya DIN 02412404 (Till 18.07.2017)		Majority - Small Scale Industry (Speial Knowledge) and Banking (Practical Experience)	Independent / Non-Executive	5	2	NA	1	NA	NA	NA	1	NA	1	NA	NA	NA	YES	NA	NA	NA
Smt. EV.Sumithasri DIN 07087197 (Till 30.03.2018)		Majority - Information Technology	Independent / Non-Executive	11	NA	2	NA	NA	NA	NA	4	NA	NA	1	1	NA	YES	NA	NA	NA
Shri Y.N. Lakshminarayanamurthy DIN 07534836 (No. of Shares: 1626)		Majority - Agriculature and Rural Economy	Independent / Non-Executive	16	NA	NA	NA	NA	2	3	NA	NA	2	NA	1	NA	YES	Nil	Nil	Nil
Shri Kusuma R Muniraju DIN 02111974 (No. of Shares: 410126)	NRCC	Majority - Law	Independent / Non-Executive	12	7	NA	11	NA	NA	2	NA	4	6	NA	1	4	YES	1	M/s.Kanya Investments Pvt Ltd.,	Nil
Smt.Anuradha Pradeep DIN 00291763 (No. of Shares: 8288)	SRC & CSC	Minority - Law	Non-Independent / Non-Executive	16	NA	4	NA	4	2	NA	4	4	5	1	NA	4	YES	3	M/s. Pranava Electronics Pvt Ltd., M/s. Kare Electronics and Development Pvt Ltd. M/s. Kare Investments Pvt Ltd.,	Nil
Shri Hemant Kaul DIN 00551588 (No. of Shares: Nil) (From 26.04.2017)		Majority - Banking	Independent / Non-Executive	9	NA	NA	9	4	NA	NA	3	2	NA	NA	NO	NA	NO	8	M/s. Trascorp International Ltd., M/s. Ashiana Housing Ltd., M/s. Aspire Home Finance Corporation Ltd., M/s. Social worth Technologies Pvt Ltd., M/s. Medinfi Healthcare Pvt Ltd., M/s. EGIS Healthcare Services Pvt Ltd., M/s. Ashish Securities Pvt Ltd., M/s. Indostar Capital Finance Ltd.,	M/s. Ashiana Housing Ltd.,
Shri G.Sudhakara Gupta DIN 00005150 (No. of Shares: 2666) (From 27.09.2017)		Minority - Business	Non-Independent / Non-Executive	6	NA	NA	NA	2	1	NA	2	NA	NA	NA	NA	NA	NA	5	M/s. Amaryllis Properties Pvt Ltd., M/s. Magenta RE Asset Pvt Ltd., M/s. Holzwerk Interior Pvt Ltd., M/s. Jacaranda Properties Pvt Ltd., M/s. Pristine Propservices Pvt Ltd.,	Nil
Shri Suvendu Pati DIN 07452701 (No.of Shares: Nil)		RBI Nominee	Non Independent / Non-Executive	15	8	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NO	Nil	Nil	Nil
Shri Rajnish Kumar (DIN 07833241) (No. of Shares: Nil) (From 17.05.2017)		RBI Nominee	Non Independent / Non-Executive	14	7	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NO	Nil	Nil	Nil
Shri Vivek Srivastava DIN 07532303 (Till 16.05.2017)		RBI Nominee	Non Independent / Non-Executive	1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

ATTENDANCE AT AUDIT COMMITTEE MEETINGS FOR THE FY 2017-2018

Name of the Committee Members (Sarvashree)	Category of Director	Meeting details			Whether attended last AGM (Y/N)
		Held during the tenure of director / invitee	Attended	% total	
B.K.Manjinath - (From 06.06.2017)	Non Executive Chairman /Independent	7	7	100%	YES
Kusuma R Muniraju	NED / Independent	9	7	78%	YES
N.S.Venkatesh - (Till 21.10.2017)	Executive Director	5	5	100%	YES
S.G.Prabhakharan - (Till 22.06.2017)	NED / Non Independent	2	2	100%	NA
S.Dattathreyan - (Till 07.03.2018)	NED / Independent	9	7	78%	YES
Prakash P Mallya - (Till 18.07.2017)	NED / Independent	2	2	100%	YES
Pankaj Vaish - (Till 18.07.2017)	NED / Independent	2	2	100%	YES
Suvendu Pati - RBI Nominee	NED / Non Independent	9	8	89%	NO
Rajnish Kumar - RBI Nominee (From 17.05.2017)	NED / Non Independent	8	7	88%	NO
Vivek Srivastava - RBI Nominee (Till 16.05.2017)	NED / Non Independent	1	0	0%	NO

ATTENDANCE AT NOMINATION, REMUNERATION & COMPENSATION COMMITTEE MEETINGS FOR THE FY 2017-2018

Name of the Committee Members (Sarvashree / Smt.)	Category of Director	Meeting details		
		Held during the tenure of director / invitee	Attended	% total
B.K.Manjinath - (From 06.06.2017)	Non Executive Chairman / Independent	4	4	100%
Y.N.Lakshminarayanamurthy	NED/Independent	2	2	100%
Kusuma R Muniraju	NED/Independent	6	6	100%
Anuradha Pradeep	NED/Non-Independent	5	5	100%
S.Dattathreyan - (Till 07.03.2018)	NED/Independent	6	6	100%
Prakash P Mallya - (Till 18.07.2017)	NED/Independent	1	1	100%

STAKEHOLDER'S RELATIONSHIP COMMITTEE FOR THE FY 2017-2018

Name of the Non Executive Director heading the Committee	Smt.Anuradha Pradeep - Non Independent / Non Executive
Name and designation of Compliance Officer	Shri.N.Ramanathan - Company Secretary & Compliance Officer
Number of Shareholders' Complaints received so far	3
Number not solved to the satisfaction of shareholders	Nil
Number of pending complaints	Nil

INFORMATION ABOUT SHARE TRANSFER WORK TO A DELEGATED AUTHORITY

Description of delegated authority	Full Address of delegated authority	Telephone Numbers	Fax Numbers	E-Mails ID
Name and designation of officer of the Company	Shri N.Ramanathan Company Secretary / Compliance Officer Lakshmi Vilas Bank Limited Corporate Office, "LVB House" No.4 Sardar Patel Road, Guindy, Chennai - 600 032	044 - 22205306	044 -22205317	secretarial@lvbank.in
Name of Board Committee and Chairman's Name	Stakeholders Relationship Committee Smt.Anuradha Pradeep Lakshmi Vilas Bank Limited Corporate Office, "LVB House" No.4 Sardar Patel Road, Guindy, Chennai - 600 032	044 - 22205306	044 -22205317	anuradha@krpradeep.com
The Registrar and Share Transfer Agents	M/s.Integrated Registry Management Services Private Ltd., II Floor, "Kences Towers" No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017	044 - 28140801 28140802 28140803	044- 28142479 28143378	lvb@integratedindia.in

Annexure - D

GENERAL SHAREHOLDERS' INFORMATION

Means of Communication:

The Bank published its financial - quarterly and annual results in English language in "Business Standard" newspaper and in vernacular language in "Dinamani" newspaper. The results are displayed on the Bank's website at **www.lvbank.com.** The official news releases and the presentations made to the institutional investors or to the analysts are also displayed in the website.

Management discussions and analysis forms part of the Annual Report, which has been sent to the shareholders of the Bank.

Financial Year 2017-2018:

91st Annual General Meeting:

Date & Time: 08th August, 2018 at 10.00 a.m.

Venue: Registered Office, Salem Road, Kathaparai, Karur - 639 006, Tamilnadu.

Information of last three Annual General Meetings held:

The 88th, 89th & 90th Annual General Meetings were held on 03rd September 2015, 10th June 2016 and 18th July, 2017 respectively.

Details of Special Resolutions passed during the last three AGMs are as below:

88th AGM - 03-09-2015 - 10.00 a.m. - Registered Office, Karur:

Special Resolution passed at the Meeting:

Item No. 7 - "RESOLVED THAT pursuant to the provisions of Section 42, 62 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and such other rules as may be issued from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and in accordance with the provisions of Memorandum & Articles of Association of the Bank, the Listing Agreement entered into with the Stock Exchanges (Stock Exchanges), the provisions of Securities and Exchange Board of India ("SEBI") Act 1999, as amended from time to time, Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, ("SEBI ICDR Regulations"), as amended, Foreign Exchange Management Act (FEMA) 1999, as amended from time to time, and any other statutory guidelines / regulations, if any, prescribed by the SEBI, Reserve Bank of India (RBI), the Stock Exchanges, the Government of India ("GOI") or any other relevant authority from time to time, to the extent applicable, and subject to such approvals, consents, permissions, and sanctions as may be required and subject to such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent of the Bank be and is hereby accorded to the Board to create, issue, offer and allot, up to 4,25,00,000 Equity Shares of ₹ 10/- each or hybrid instruments / securities resulting in, up to 4,25,00,000 Equity shares of ₹ 10/- each (including the provisions for reservation on firm and /or competitive basis, of such part of issue and for such categories of persons as may be permitted) in the course of one or more public or private offerings in domestic and / or international market(s), either in the form of Qualified Institutional Placement (QIPs) to Qualified Institutional Buyers (QIBs) and / or Equity Shares through Depository Receipts, including in the form of Global Depository Receipts (GDRs) and / or American Depository Receipts (ADRs) to eligible investors (whether residents and / or non-residents and/or strategic investors and / or institutions / banks and / or incorporated bodies and / or individuals and / or trustees and / or stabilization agents and/or mutual funds and / or venture capital funds, and/or Indian and / or multilateral financial institutions or otherwise, and irrespective of whether or not such investors are members of the Bank, through prospectus and / or letter of offer or circular and / or on public and/or private, such issue and allotment to be made at such time(s) in one or more tranches, at such price or prices, in such manner, on such terms and conditions as the Board, may in its absolute discretion, decide at the time of issue of the aforesaid Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby also authorised to determine the form, terms and timing of the issue(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount in issue / conversion / exercise / redemption, rate of interest, redemption period, listings on one or more stock exchanges in India or abroad as the Board may in its absolute discretion deems fit and to make and accept any modifications in the proposals as may be required by the authorities involved in such issue(s) in India and / or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

RESOLVED FURTHER THAT in case of a qualified institutional placement pursuant to Chapter VIII of the SEBI ICDR Regulations, the allotment of Securities (or any combination of the Securities as decided by the Board) shall only be to Qualified Institutional

Buyers within the meaning of Chapter VIII of the ICDR Regulations, such Securities shall be fully paidup and the allotment of such Securities shall be completed within 12 months from the date of this resolution at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations and the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the ICDR Regulations.

RESOLVED FURTHER THAT in case of QIP issue the relevant date for determination of the floor price of the Equity Shares to be issued shall be:

I. in case of allotment of equity shares, the date of meeting in which the Board decides to open the proposed issue.

II. in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices, etc.

RESOLVED FURTHER THAT the Bank and / or any agency or body or persons authorised by the Board, may issue Equity Shares and/or Depository Receipts representing the underlying Equity Shares in the Capital of the Bank or such other Securities in negotiable, registered or bearer form (as may be permissible) with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations (including listing on one or more stock exchanges in and / or outside India).

RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of Equity Shares and/or Depository Receipts shall be as per the applicable guidelines of Securities and Exchange Board of India.

RESOLVED FURTHER THAT the Board be and is hereby authorised to create, issue, offer and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred to above and as may be necessary in accordance with the terms of the offer, subject to the provisions of Memorandum and Articles of Association of the Bank or other applicable legal provisions and shall rank pari passu inter se with the then existing equity shares of the Bank in all respects including as to dividend.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorized on behalf of the Bank, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in this regard in its absolute discretion and deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Executives of the Bank."

Item No. 8 - "RESOLVED THAT pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules made thereunder, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the applicable provisions of the Banking Regulation Act, 1949, as amended, and the rules, circulars and guidelines issued by Reserve Bank of India ("RBI") from time to time (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and all other relevant provisions of applicable law(s), the provisions of the Memorandum and Articles of Association of the Bank and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory or regulatory authority(ies), the approval of the Members of the Bank be and is hereby accorded for borrowing / raising funds in Indian / foreign currency by issue of debt securities including but not limited to nonconvertible debentures, bonds (including bonds forming part of Tier I / Tier II capital in accordance with and subject to the terms and conditions specified in the Basel III Capital Regulations prescribed by RBI, long-term infrastructure bonds or such other bonds as may be permitted by RBI from time to time) upto $ 500 Crores (Rupees Five Hundred Crores Only) (collectively the "debt securities") by the Bank, in one or more tranches and / or series, in domestic and / or overseas market, as per the agreed structure permitted by RBI and other regulatory authorities, to eligible investors on private placement basis during a period of one year from the date of passing of this resolution, within the overall borrowing limits of the Bank, as approved by the Members, from time to time.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "Board") of the Bank or any Committee of the Board or such other persons as may be authorized by the Board, be and are hereby authorized to negotiate, modify and finalize the terms and conditions of the debt securities and sign the relevant documents / agreements in connection with the private placement of the debt securities, including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, debenture subscription agreement, debenture trust deed and any other documents as may be required, in connection with the offering(s), issuance(s) and / or allotment(s) on private placement of debt securities by the Bank and to further delegate the above powers to any Committee of Directors or any personnel of the Bank to act on their behalf as they may deem fit and to do all such other acts and things and to execute all such documents as may be necessary for giving effect to this resolution."

Shri S.G.Prabhakharan, Director, RBI Nominee Directors Shri Vivek Deep and Shri K. Babuji did not attend the AGM (i.e., 03.09.2015) and remaining all Directors attended the AGM.

89th AGM - 10-06-2016 - 10.00 a.m. - Registered Office, Karur:

Special Resolution passed at the Meeting:

Item No. 7 - "RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), a new set of Articles of Association, placed before the Members, be and is hereby adopted and substituted in place of the existing Articles of Association of the Bank, subject to the approval of the Reserve Bank of India as may be required.

RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorised to perform and execute all such acts, deeds, matters and things, as may be necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental thereto."

Item No. 10 - RESOLVED THAT pursuant to the provisions of Section 42, 62(1)(c), 71 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and such other rules as may be issued from time to time (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the provisions of Memorandum & Articles of Association of the Bank, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR Regulations"), the provisions of Securities and Exchange Board of India ("SEBI") Act 1999, as amended from time to time, Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, ("SEBI ICDR Regulations"), as amended, Foreign Exchange Management Act ("FEMA") 1999, as amended from time to time, Master Directions on Issue and Pricing of Shares by Private Sector Banks, 2016 issued by the Reserve Bank of India (RBI) and any other statutory guidelines / regulations, if any, prescribed by the SEBI, RBI, the Stock Exchanges, the Government of India ("GOI") or any other relevant authority from time to time, to the extent applicable, and subject to such approvals, consents, permissions, and sanctions as may be required and subject to such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent of the Bank be and is hereby accorded to the Board to issue, offer and allot, up to 4,25,00,000 Equity Shares of ₹ 10/- ("Equity Shares") each or hybrid instruments / securities ("Securities") resulting in, up to 4,25,00,000 Equity shares of ₹ 10/- each (including the provisions for reservation on firm and /or competitive basis, of such part of issue and for such categories of persons as may be permitted) in the course of one or more public or private offerings in domestic and / or international market(s), either in the form of Qualified Institutional Placement (QIPs) to Qualified Institutional Buyers (QIBs) and / or Equity Shares through Depository Receipts, including in the form of Global Depository Receipts (GDRs) and / or American Depository Receipts (ADRs) to eligible investors (whether residents and/or non-residents and/or strategic investors and / or institutions / banks and / or incorporated bodies and / or individuals and/or trustees and/ or stabilization agents and/or mutual funds and / or venture capital funds, and/or Indian and/ or multi-lateral financial institutions or otherwise, and irrespective of whether or not such investors are members of the Bank, through prospectus and/or letter of offer and / or placement document or circular and /or on public and / or private, such issue and allotment to be made at such time(s) in one or more tranches, by way of cash at such price or prices, in such manner, on such terms and conditions as the Board, may in its absolute discretion, decide at the time of issue of the aforesaid Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby also authorised to determine the form, terms and timing of the issue(s), including the class of investors to whom the Equity Shares / Securities are to be allotted, number of Equity Shares / Securities to be allotted in each tranche, issue price, face value, premium amount in issue/conversion/ exercise/redemption, rate of interest, redemption period, listings on one or more stock exchanges in India or abroad as the Board may in its absolute discretion deems fit and to make and accept any modifications in the proposals as may be required by the authorities involved in such issue(s) in India and/or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

RESOLVED FURTHER THAT in case of a qualified institutional placement pursuant to Chapter VIII of the SEBI ICDR Regulations, the allotment of Securities (or any combination of the Securities as decided by the Board) shall only be to Qualified Institutional Buyers within the meaning of Chapter VIII of the ICDR Regulations, such Equity Shares / Securities shall be fully paid-up and the allotment of such Equity Shares / Securities shall be completed within 12 months from the date of this resolution at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations and the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the ICDR Regulations, as amended from time to time.

RESOLVED FURTHER THAT in case of QIP issue the relevant date for determination of the floor price of the Equity Shares / Securities to be issued shall be -

I. In case of allotment of equity shares, the date of meeting in which the Board decides to open the proposed issue.

II. In case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Equity Shares / Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices etc.

RESOLVED FURTHER THAT the Board may enter into any arrangement with any agencies or bodies for the issue of depository receipts represented by underlying equity shares in the share capital of the Bank with such features and attributes as are prevalent in international / domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and / or international practice or regulations and under the norms and practices prevalent in the domestic / international capital markets and subject to applicable laws and regulations and the Articles of Association of the Bank.

RESOLVED FURTHER THAT in the event of depository receipts, the pricing shall be determined in compliance with the principles and provisions set out in the Depository Receipts Scheme, 2014, the Foreign Exchange Management (Transfer or Issue of Securities by a person resident outside India) Regulations, 2000 and such other notifications, clarifications, guidelines, rules and regulations issued by relevant authorities (including any statutory modifications, amendments or re-enactment thereof).

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as foreign currency convertible bonds, subject to the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipts Mechanism) Scheme, 1993 including any statutory modifications, re-enactments or amendments from time to time and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of pricing of the security to be issued pursuant to such issue shall be the date of the meeting in which the Board or duly authorized committee of directors decides to open such issue after the date of this Resolution or such other date as may be prescribed under the applicable law.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue offer and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred to above and as may be necessary in accordance with the terms of the offer, subject to the provisions of Memorandum and Articles of Association of the Bank or other applicable legal provisions and shall rank pari passu inter se with the then existing equity shares of the Bank in all respects including as to dividend.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorized on behalf of the Bank, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in this regard in its absolute discretion and deem necessary or desirable for such purpose, including without limitation the entering into of marketing and similar agreements and to remunerate the managers, and all other agencies/intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings of Equity Shares / Securities, finalization of the number and price of Equity shares / Securities to be issued in each tranche thereof, form, terms and timing of the issue of Equity Shares / Securities including for each tranche of such issue of Equity Shares / Securities, identification of the investors to whom Equity Shares / Securities are to be offered, utilization of the proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities, with power on behalf of the Bank to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose of the aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer and allotment of Equity Shares / Securities and utilization of the issue proceeds including but without limitation to the creation of such mortgage / hypothecation / charge on the Bank's assets under Section 180(1)(a) of the said Act in respect of the aforesaid Equity Shares / Securities either on pari passu basis or otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board shall have the authority and power to accept any modification in the proposal as may be required or imposed by the Government of India / Reserve Bank of India / Securities & Exchange Board of India / Stock Exchanges where the shares of the Bank are listed or such other appropriate authorities at the time of according / granting their approvals, consents, permissions and sanctions to issue, allotment and listing thereof and as agreed to by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Executives of the Bank."

Item No. 11 - "RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules made thereunder, Securities and Exchange Board of India (Issue and Listing of

Debt Securities) Regulations, 2008, as amended, the applicable provisions of the Banking Regulation Act, 1949, as amended, and the rules, circulars and guidelines issued by Reserve Bank of India ("RBI") from time to time (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and all other relevant provisions of applicable law(s), the provisions of the Memorandum and Articles of Association of the Bank and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory or regulatory authority(ies), the approval of the Members of the

Bank be and is hereby accorded for borrowing/raising funds in Indian/ foreign currency by issue of debt securities including but not limited to non-convertible debentures, bonds (including bonds forming part of Tier I / Tier II capital, secured or unsecured, listed or unlisted, in accordance with and subject to the terms and conditions specified in the Basel III Capital Regulations prescribed by RBI, long-term infrastructure bonds or such other bonds as may be permitted by RBI from time to time) upto ₹ 200 Crores (Rupees Two Hundred Crores Only) (collectively the "debt securities") by the Bank, in one or more tranches and/or series, in domestic and /or overseas market, as per the agreed structure permitted by RBI and other regulatory authorities, to eligible investors on private placement basis during a period of one year from the date of passing of this resolution, within the overall borrowing limits of the Bank, as approved by the Members, from time to time.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "Board") of the Bank or any Committee of the Board or such other persons as may be authorized by the Board or its Committee, be and are hereby authorized to negotiate, modify and finalize the terms and conditions of the debt securities and sign the relevant documents / agreements in connection with the private placement of the debt securities, including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, debenture subscription agreement, debenture trustee agreement, debenture trust deed and any other documents as may be required, in connection with the offering(s), issuance(s) and / or allotment(s) on private placement of debt securities by the Bank and to further delegate the above powers to any Committee of Directors or any personnel of the Bank to act on their behalf as they may deem fit and to do all such other acts and things and to execute all such documents as may be necessary for giving effect to this resolution."

RBI Nominee Directors Shri Suvendu Pati and Shri Vivek Srivastava did not attend the AGM (i.e., 10.06.2016) and remaining all Directors attended the AGM.

90th AGM - 18-07-2018 - 10.00 a.m. - Registered Office, Karur:

Special Resolution passed at the Meeting:

Item No. 12 - "RESOLVED THAT pursuant to the provisions of Sections 42, 62 (1) (c), 71 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and such other rules as may be issued from time to time (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the provisions of Memorandum & Articles of Association of the Bank, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR Regulations"), the provisions of Securities and Exchange Board of India ("SEBI") Act 1999, as amended from time to time, Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, ("SEBI ICDR Regulations"), as amended, Foreign Exchange Management Act ("FEMA") 1999, as amended from time to time, Master Directions on Issue and Pricing of Shares by Private Sector Banks, 2016 issued by the Reserve Bank of India ("RBI") and any other statutory guidelines/regulations, if any, prescribed by the SEBI, RBI, the Stock Exchanges, the Government of India ("GOI") or any other relevant authority from time to time, to the extent applicable, and subject to such approvals, consents, permissions, and sanctions as may be required and subject to such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent of the Bank be and is hereby accorded to the Board to issue, offer and allot, in one or more tranches, up to 5,00,00,000 Equity Shares of ₹ 10/- ("Equity Shares") each or hybrid instruments / securities ("Securities") resulting in, up to 5,00,00,000 Equity shares of ₹ 10/- each (including the provisions for reservation on firm and /or competitive basis, of such part of issue and for such categories of persons as may be permitted) in the course of one or more public or private offerings in domestic and/or international market(s), either in the form of Qualified Institutional Placement (QIPs) to Qualified Institutional Buyers (QIBs) and/ or Equity Shares through Depository Receipts, including in the form of Global Depository Receipts (GDRs) and /or American Depository Receipts (ADRs) to eligible investors (whether residents and /or non-residents and/or strategic investors and/or institutions/banks and/or incorporated bodies and/or individuals and/ or trustees and / or stabilization agents and/or mutual funds and/or venture capital funds, and/or Indian and/ or multi-lateral financial institutions or otherwise, and irrespective of whether or not such investors are members of the Bank, through prospectus and/or letter of offer and / or placement document or circular and/or on public and/or private, such issue and allotment to be made at such time(s) in one or more tranches, by way of cash at such price or prices, in such manner, on such terms and conditions as the Board, may in its absolute discretion, decide at the time of issue of the aforesaid Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby also authorised to determine the form, terms and timing of the issue(s), including the class of investors to whom the Equity Shares / Securities are to be allotted, number of Equity Shares / Securities to be allotted in each tranche, issue price, face value, premium amount in issue/conversion/ exercise/redemption, rate of interest, redemption period, listings on one or more stock exchanges in India or abroad as the Board may in its absolute discretion deems fit and to make and accept any modifications in the proposals as may be required by the authorities involved in such issue(s) in India and/or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

RESOLVED FURTHER THAT in case of a qualified institutional placement pursuant to Chapter VIII of the SEBI ICDR Regulations, the allotment of Securities (or any combination of the Securities as decided by the Board) shall only be to Qualified Institutional Buyers within the meaning of Chapter VIII of the ICDR Regulations, such Equity Shares / Securities shall be fully paid-up and the allotment of such Equity Shares / Securities shall be completed within 12 months from the date of this resolution at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations and the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the ICDR Regulations, as amended from time to time.

i. **RESOLVED FURTHER THAT** in case of QIP issue the relevant date for determination of the floor price of the Equity Shares / Securities to be issued shall be in case of allotment of equity shares, the date of meeting in which the Board decides to open the proposed issue.

II. In case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Equity Shares /Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices etc.

RESOLVED FURTHER THAT the Board may enter into any arrangement with any agencies or bodies for the issue of depository receipts represented by underlying equity shares in the share capital of the Bank with such features and attributes as are prevalent in international / domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and / or international practice or regulations and under the norms and practices prevalent in the domestic / international capital markets and subject to applicable laws and regulations and the articles of association of the Bank.

RESOLVED FURTHER THAT in the event of depository receipts, the pricing shall be determined in compliance with the principles and provisions set out in the Depository Receipts Scheme, 2014, the Foreign Exchange Management (Transfer or Issue of Securities by a person resident outside India) Regulations, 2000 and such other notifications, clarifications, guidelines, rules and regulations issued by relevant authorities (including any statutory modifications, amendments or reenactment thereof).

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as foreign currency convertible bonds, subject to the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipts Mechanism) Scheme, 1993 including any statutory modifications, re-enactments or amendments from time to time and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of pricing of the security to be issued pursuant to such issue shall be the date of the meeting in which the Board or duly authorized committee of directors decides to open such issue after the date of this Resolution or such other date as may be prescribed under the applicable law.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue offer and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred to above and as may be necessary in accordance with the terms of the offer, subject to the provisions of Memorandum and Articles of Association of the Bank or other applicable legal provisions and shall rank pari-passu inter se with the then existing equity shares of the Bank in all respects including as to dividend.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorised on behalf of the Bank, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in this regard in its absolute discretion and deem necessary or desirable for such purpose, including without limitation finalisation and approval of the preliminary as well as final offer document(s), placement document or offering circular, as the case may be, the entering into of marketing and similar agreements and to remunerate the managers, and all other agencies/intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings of Equity Shares / Securities, finalization of the number and price of Equity Shares / Securities to be issued in each tranche thereof, form, terms and timing of the issue of Equity Shares / Securities including for each tranche of such issue of Equity Shares / Securities, identification of the investors to whom Equity Shares / Securities are to be offered, utilization of the proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities, with power on behalf of the Bank to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose of the aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer and allotment of Equity Shares / Securities and utilization of the issue proceeds including but without limitation to the creation of such mortgage/hypothecation / charge on the Bank's assets under Section 180(1) (a) of the said Act in respect of the aforesaid Equity Shares / Securities either on pari-passu basis or otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board shall have the authority and power to accept any modification in the proposal as maybe required or imposed by the Government of India / Reserve Bank of India / Securities & Exchange Board of India / Stock Exchanges where the shares of the Bank are listed or such other appropriate authorities at the time of according / granting their approvals, consents, permissions and sanctions to issue, allotment and listing thereof and as agreed to by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred above to any Committee of Directors or any one or more Executives of the Bank."

Item No. 13 - "RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules made thereunder, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the applicable provisions of the Banking Regulation Act, 1949, as amended, and the rules, circulars and guidelines issued by Reserve Bank of India ("RBI") from time to time (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and all other relevant provisions of applicable law(s), the provisions of the Memorandum and Articles of Association of the Bank and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory or regulatory authority(ies), the approval of the Members of the Bank be and is hereby accorded for borrowing/raising funds in Indian/ foreign currency by issue of debt securities including but not limited to non-convertible debentures, bonds (including bonds forming part of Tier I/ Tier II capital, secured or unsecured, listed or unlisted, in accordance with and subject to the terms and conditions specified in the Basel III Capital Regulations prescribed by RBI, long-term infrastructure bonds or such other bonds as may be permitted by RBI from time to time) up to ₹ 250 Crores (Rupees Two Hundred and Fifty Crores Only) (collectively the "debt securities") by the Bank, in one or more tranches and/or series, in domestic and/or overseas market, as per the agreed structure permitted by RBI and other regulatory authorities, to eligible investors on private placement basis during a period of one year from the date of passing of this resolution, within the overall borrowing limits of the Bank, as approved by the Members, from time to time.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "Board") of the Bank or any Committee of the Board or such other persons as may be authorized by the Board or its Committee, be and are hereby authorized to negotiate, modify and finalize the terms and conditions of the debt securities and sign the relevant documents/agreements in connection with the private placement of the debt securities, including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, debenture subscription agreement, debenture trustee agreement, debenture trust deed and any other documents as may be required, in connection with the offering(s), issuance(s) and/or allotment(s) on private placement of debt securities by the Bank and to further delegate the above powers to any Committee of Directors or any personnel of the Bank to act on their behalf as they may deem fit and to do all such other acts and things and to execute all such documents as may be necessary for giving effect to this resolution."

Item No.14 - "RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and in accordance with the Memorandum and Articles of Association of the Bank, the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred as "SEBI SBEB Regulations"), Banking Regulation Act, 1949, and further subject to such other approvals, permissions and sanctions as may be necessary and upon such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Members of the Bank be and is hereby accorded to the introduction and implementation of LVB Employee Stock Option Scheme 2017 (hereinafter referred to as the "ESOS 2017") authorizing the Board of Directors of the Bank (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination, Remuneration and Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to create and grant from time to time, in one or more tranches, not exceeding 50,00,000 (Fifty lakhs only) Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the Bank, its subsidiary company or holding company, if any, including any Director, whether whole time or otherwise, (other than Promoters of the Bank, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Bank) ("**Employees**"), as may be decided under ESOS 2017, exercisable into not more than 50,00,000 (Fifty lakhs only) options, each Option giving the right to but not the obligation to the holder to subscribe for cash, equity shares of face value of ₹ 10 (Rupees Ten) each fully paid-up, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of ESOS 2017.

RESOLVED FURTHER THAT the Board, Nomination, Remuneration and Compensation Committee and any committee formed for this purpose be and is hereby authorised to issue and allot Equity Shares upon exercise of options by Employee from time to time in accordance with the ESOS 2017 and other applicable laws in force.

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank pari-passu in all respects with the then existing equity shares of the Bank.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are to be issued by the Bank to the Option grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling on the number of Options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Bank are sub-divided or consolidated, then the number of equity shares to be allotted and the exercise price payable by the option grantees under the ESOS 2017 shall automatically stand augmented or reduced in the same proportion as the present face value of $ 10 (Rupees Ten) per equity share bears to the revised face value of the equity shares of the Bank after such consolidation / sub-division, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the Board including designated committee of the Board, if any, be and is hereby authorised to take requisite steps for listing of the Equity Shares allotted under ESOS 2017 on the Stock Exchanges where the Equity Shares of the Bank are listed.

RESOLVED FURTHER THAT the Bank shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOS 2017.

RESOLVED FURTHER THAT the Board including designated committee of the Board, if any be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOS 2017 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOS 2017 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of ESOS 2017 as also to make applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

Shri Hemant Kaul, Director, RBI Nominee Directors Shri Suvendu Pati and Shri Rajnish Kumar did not attend the AGM (i.e., 18.07.2017) and remaining all Directors attended the AGM.

No special resolutions were passed through postal ballot during the last financial year ending 31.03.2018. As on date, there is no proposal requiring approval of the members through special resolution to be passed through postal ballot.

Annual General Meeting for FY 2018-19 will be held on or before 30th September, 2019 in line with the provisions under the Companies Act.

Board Meetings:

Results for the quarter ending June 2018	-	On or before 14th August, 2018
Results for the quarter ending September 2018	-	On or before 14th November, 2018.
Results for the quarter ending December 2018	-	On or before 14th February, 2019.
Results for the quarter ending March 2019	-	On or before 30th May, 2019.

Compliance with Reg. 34(3) & Schedule V of SEBI (LODR) Regulations, 2015:

Names and addresses of the Stock Exchanges where equity shares of Lakshmi Vilas Bank Limited are listed are as below:

The National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	The BSE Limited Floor 25, PJ Towers, Dalal Street, Mumbai - 400 001.

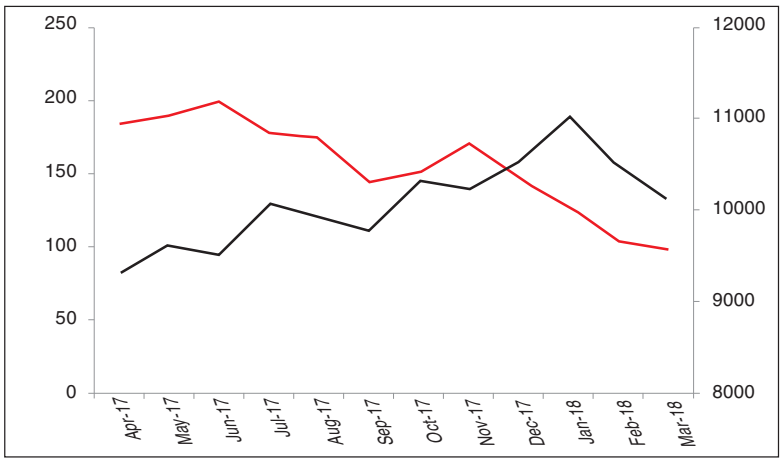
Bank confirms that the Annual Listing Fees have been paid to the National Stock Exchange of India Ltd. & BSE Ltd.

Trading Code with Stock Exchanges: LAKSHVILAS

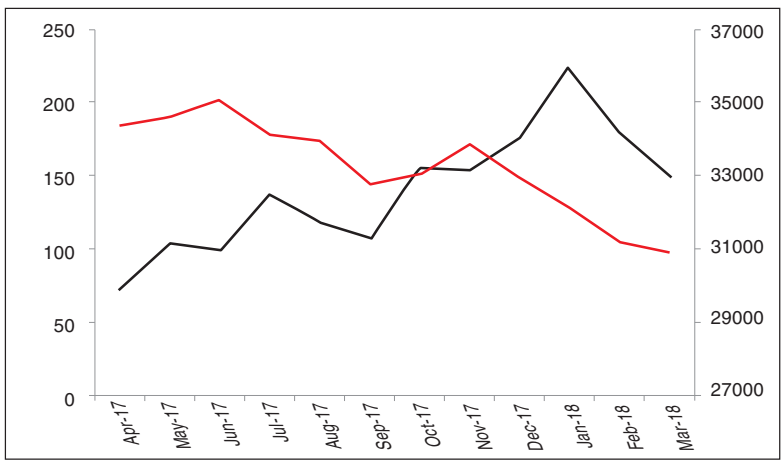
Stock Market Data

Month	Listed with NSE on 21.06.2000			Listed with BSE on 24.09.2012		
	High	Low	No of Shares Traded	High	Low	No of shares Traded
April, 2017	202.75	164.25	21031011	203.00	165.10	4653973
May	192.15	174.50	13203465	192.00	174.70	4559965
June	205.00	185.20	18689349	205.35	185.55	3602472
July	210.00	176.00	16306748	209.80	176.10	3694982
August	183.90	163.10	13925437	183.95	159.60	3465006
September	175.80	138.25	15257755	181.00	137.00	3253834
October	157.00	132.85	16410461	156.65	133.40	3706086
November	188.00	150.80	28032268	187.95	150.65	4754230
December	174.00	143.00	17329680	173.75	143.00	4562902
January, 2018	151.50	126.70	15697543	151.05	126.50	3479843
February	133.90	103.60	11211363	133.50	103.85	2482910
March	107.05	93.50	17886518	112.80	93.55	1579794

Performance of the Equity Shares relative to NSE Nifty Index during the year 2017-18



Performance of the Equity Shares relative to BSE Index during the year 2017-18



The Registrar and Share Transfer Agent is M/s. Integrated Registry Management Services Private Limited.

Share Transfer Process:

Bank ensures that all requests pertaining to physical shares are processed by the Registrar and Share Transfer Agent - M/s. Integrated Registry Management Services Private Limited and approved by the Bank and the certificates are dispatched to the transferees within a maximum period of 15 days from the date of receipt of the transfer documents by M/s. Integrated Registry Management Services Private Limited, provided if the share documents are valid in all respects. Share transfers, dividend payments, demat requests and all other investor related activities are attended to and processed at the office of our Registrar and Share Transfer Agent.

Shareholders' Correspondence should be addressed to:

M/s. Integrated Registry Management Services Private Limited
II Floor, "Kences Towers" No.1 Ramakrishna Street
North Usman Road, T. Nagar, Chennai - 600 017
Ph: 044-28140801/2/3 Fax: 28142479/28143378
Email: lvb@integratedindia.in

Contact details of Debenture Trustees of the Bank for Tier-II Bonds (Debentures):

The bank has raised capital by way of Tier II Bonds (debentures) through various Series in certain financial years and the same are listed with the WDM segment of the NSE. The details of the debenture trustee is as below:

IDBI Trusteeship Services Limited
Regd. Office: Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001.
Phone: 022-4080700 | Fax: 022-66311776 | E-mail: itsl@idbitrustee.com

Compliance with Reg. 6 (2) (d) of SEBI (LODR) Regulations, 2015:

SEBI has advised the listed companies to designate an exclusive email ID for Redressal of Investor Complaints. Pursuant to Reg. 6(2)(d) of SEBI (LODR) Regulations, 2015, a separate e-mail id viz., investorsgrievances@lvbank.in is designated exclusively for redressal of investors' complaints and the Compliance Officer monitors the same.

Distribution of Shareholding in break up as on 31.03.2018 is given below:

Category	Number of Records	%	Number of Shares	%
Upto 500	57887	64.73	8596331	3.36
501-1000	14975	16.74	11495518	4.49
1001-2000	8182	9.15	11568193	4.52
2001-3000	2836	3.17	7013438	2.74
3001-4000	1380	1.54	4797277	1.87
4001-5000	901	1.01	4060783	1.59
5001-10000	1805	2.02	12641120	4.94
Above 10000	1467	1.64	195821093	76.49
TOTAL	**89433**	**100.00**	**255993753**	**100.00**

Dematerialization:

Bank has 89433 shareholders as on 31.03.2018, being fully paid shares of ₹10/- each. Of this 72753 folios representing 24,64,36,710 (96.27%) shares are in Demat Form.

Bank's Equity shares ISIN: INE694C01018

CIN: L65110TN1926PLC001377

The shares of the Bank are admitted under demat mode with both the depositories of the country i.e., National Securities Depository Limited and Central Depository Services (India) Limited.

Nomination Facility:

Shareholders may avail of the Nomination Facility as prescribed under Section 72 of the Companies Act, 2013.

Bank Account Details:

In order to avoid fraudulent encashment of dividend warrants, the members holding shares in physical form are requested to provide their Bank Account details to the Office of our Registrar and Share Transfer Agent.

Unclaimed Dividend / Refund:

As per Section 124(5) read with section 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), as amended, the dividend which were unclaimed for a period of seven years or more have to be transferred to "Investor Education and Protection Fund" ('IEPF Fund') maintained with Central Government. In compliance with the same, the Bank had transferred the unclaimed dividend amount pertaining to the year 2009-10 amounting to ₹ 10,06,827.00 to the Investors Education and Protection Fund and the unclaimed dividend pertaining to the year 2010-11 will be transferred to the IEPF Fund after the due date i.e., 13.10.2018.

As per Section 124 (6), read with the IEPF Rules, the Bank is also required to transfer the equity shares in respect of which dividends are not claimed for the last 7 consecutive years for credit to IEPF Suspense account in Dematerialized form. In line with the applicable proviso, during the year, the Bank has already transferred the shares pertaining to the unclaimed dividend for the years 2008-09 & 2009-10 to the IEPF Authority. The details of the unclaimed dividend are uploaded in the website of Investor Education and Protection Fund as well as the website of the Bank and the shareholders may verify their details from the said websites and approach us for claim.

As per the IEPF Rules, any person whose shares, unclaimed dividend, unclaimed refund has been transferred to the IEPF fund, may claim the shares under Section 124(6) or apply for refund under Section 125(3)(a), to the authority by submitting an online application in Form IEPF 5 available on the website www.iepf.gov.in. The Bank has also appointed a nodal officer for the purpose of coordination with IEPF authority. The contact information of the nodal officer is as below and the same has also been made available online as per the IEPF Rules and can be accessed at http://www.lvbank.com/ShareholderInfo.aspx.

M.RAMESH, Sr. Manager, Secretarial Department, The Lakshmi Vilas Bank Ltd., Corporate Office, LVB House, No.4, Sardar Patel Road,Guindy, Chennai - 600 032

Ph. no. 044-22205306; Mobile: +91 98427 34513;

Email ID: ramesh.muthugopalan@lvbank.in

Information in respect of Unclaimed Dividend & Refund and last date for making claim is given below:

Unclaimed Dividend:

Financial Year	Date of Declaration	Amount as on 31.03.2018 in ₹	Last date for claim /due dates of transfer to fund
2010-11	14.09.2011	33,21,665.00	13.10.2018
2011-12	14.09.2012	47,08,599.00	13.10.2019
2012-13	06.08.2013	48,21,603.00	04.09.2020
2013-14	26.09.2014	19,80,176.00	25.10.2021
2014-15	03.09.2015	40,88,854.00	02.10.2022
2015-16	10.06.2016	60,05,691.00	09.07.2023
2016-17	18.07.2017	56,02,559.40	16.08.2024

Unclaimed Refund:

Right issue Year	Date of Refund	Amount as on 31.03.2018 in ₹	Last date for claim /due dates of transfer to fund
2014-15	02.09.2014	1,07,700.00	01.09.2021
2017-18	04.01.2018	4,83,486.00	03.01.2025

Shares held in Electronic form:

All instructions regarding bank account details, which the shareholders wish to be incorporated in their dividend warrant will have to be submitted to their depository participants. Instructions already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form and the Bank or STA will not entertain any request for deletion / change of Bank details already printed on dividend warrants as per information received from both the depositories.

All instructions regarding change of address, nomination, power of attorney etc., shall be given directly to their Depository participants and the bank or STA will not entertain any such requests directly. Shareholders having the holdings partly in demat form and partly in physical form, should follow the steps narrated above separately.

Other Disclosures:

The Bank has complied with conditions of corporate governance prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Certificate to this effect from Practising Company Secretary is annexed.

With respect to compliance with Discretionary Requirements as mentioned in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Bank is in compliance with the following;

1. Being a Banking entity, as mandated by Reserve Bank of India's directive, the Bank appoints separate persons to the post of Chairperson and Managing Director & CEO.
2. The Internal Auditor reports directly to the Audit Committee.

There were no significant and material orders passed by the regulators, courts, tribunals impacting the going concern status and Bank's operations in future.

Disclosures on materially significant Related Party Transactions:

During the Financial year, the Bank did not enter into any materially significant related party transaction which could have a potential conflict of interest with its promoters, directors, management or relatives etc., except the transactions entered into in the normal course of banking business.

The bank's policy on dealing with related party transaction is provided in the website of the Bank and can be viewed at:

http://www.lvbank.com/UserFiles/File/RelatedPartyTransactions_Policy.pdf

Penalties or Strictures imposed on matters related to capital markets:

There are no penalties or strictures imposed on the bank by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

Whistle Blower Policy:

The Bank has laid down a Whistle Blower Policy, in line with the regulatory requirements and during the year, no person has been denied access to the Audit Committee.

Code of Conduct:

The Board of Directors at its meeting held on 15.04.2005, approved the Code of Conduct for all the Directors and Senior Management Personnel. The said Code of Conduct has been placed on the website of the Company **www.lvbank.com**. The Annual Report contains a declaration signed by CEO affirming compliance to the Code of Conduct by Directors and Senior Management Personnel.

CEO/CFO Certification:

The Compliance certificate under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 furnished by the Chief Executive Officer and Chief Financial Officer has been duly submitted to the Board.

DECLARATION BY MD & CEO:

The Board of Directors and the Senior Management Personnel of the Bank have affirmed confirming to the Code of Conduct of the Bank for the year ended 31.03.2018.

Parthasarathi Mukherjee
Managing Director & CEO

Annexure - E

ANNUAL REPORT ON CSR ACTIVITIES

In India, the concept of CSR is governed by clause 135 of the Companies Act, 2013. The Ministry of Corporate Affairs has notified Section 135 and Schedule VII of the Companies Act 2013 as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 to come into effect from April 1, 2014. The Act defines CSR as activities that promote poverty reduction, education, health, environmental sustainability, gender equality, and vocational skills development.

Vision & Mission:

Through the CSR projects, our bank intends to contribute in its own small way to the social and economic upliftment of needy individuals / areas, mostly in the places in which it operates.

Scope:

CSR policy will apply to all projects / programs undertaken as part of the Bank's Corporate Social Responsibility activities. It will be developed, reviewed and updated by reference to relevant codes of Corporate Governance and International standards (or) best practices while keeping it always in line with the CSR Rules (Sec. 135 of Companies Act 2013).

Preferred CSR intervention areas:

The CSR intervention areas will be as prescribed under Section 135 of the Companies Act as amended from time to time with the preferred scope being as below:

a) Promoting Education
b) Promoting Rural Sports
c) Setting up old age homes
d) Catering to needs of needy and downtrodden section of society
e) Participation in"**Swachh Bharat Abhiyan**" of Government of India
f) Focus on the developmental needs of Girl Children
g) Meeting infrastructural requirements of needy Government / Semi-Government educational institutions
h) Any other area approved by CSR committee

The Bank's CSR policy is available on the website www.lvbank.com/download/Corporate_Social_Responsibility_policy.pdf

Composition of CSR committee:

The Bank has a Board-Level CSR committee that provides oversight of CSR policy execution. Our CSR committee comprises:

- Shri. B K Manjunath, Chairman
- Shri. P.Mukherjee, MD & CEO, Member
- Shri. Anuradha Pradeep, Member

Financial details:

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribe that every company having a net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more or a net profit of ₹ 5 crore or more during any financial year shall ensure that the company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The financial details as sought by the Companies Act, 2013 are as follows:

(Amount in Lacs)

Average Net profit of the Bank for last three financial years	26617.13
Prescribed CSR expenditure (2% of Average Net profit) for FY 2017-18	532.34
Amount to be spent for the current fiscal	532.34
Amount unspent in the last financial year upto (2016-2017)	512.71
Total amount to be spent for the financial year	1045.05
Amount spent during the current fiscal	61.51
Amount unspent for FY 2017-18	983.54

CSR activities undertaken by your Bank are as under: (Amount in Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project (or) activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Over heads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency*
1.	Focusing on downtrodden segments	Catering to the needs of needy and downtrodden sections of society	PAN India	20.53 + app. taxes	21.55 (inclusive all taxes)	21.55	Direct - 21.55
2.	Promoting Education	Promotion of Education	Bangalore & Madurai	11.00 + app. taxes	10.99 (inclusive all taxes)	10.99	Implementing Agency - 10.99
3.	Health Care	Health Care	Chennai	10.00 + app. taxes	12.64 (inclusive all taxes)	12.64	Direct - 12.64
4.	Swachh Bharat Abhiyan	Swachh Bharat Abhiyan	Salem, Erode & Madurai	16.25 + app. taxes	16.32 + (inclusive all taxes)	16.32	Direct - 15.25 Implementing Agency - 1.07
	Amount Spent (₹)					**61.51**	

*** Details of the implementing agencies are listed below:**

Promoting Education: Soroptimist International Madurai Charitable Trust and Karnataka Arya Vysya Charitable Trust, **Swachh Bharat Abhiyan**: Soroptimist International Madurai Charitable Trust,

Your Bank has done all the preliminary work like identification of priority areas, checking the due diligence etc. so that amount can be spent on CSR activities as per statutory requirements. Further, the bank has decided to set up a foundation named as **"LVB Foundation"** for carrying out the CSR related activities in a full-fledged manner. The Bank is well poised to spend the balance amount during the current FY.

Our CSR responsibilities:

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

Chennai

Parthasarathi Mukherjee
MD & CEO

B K Manjunath
Chairperson, CSR Committee

Annexure - F

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	:	L65110TN1926PLC001377
(ii)	Registration Date	:	03/11/1926
(iii)	Name of the Company	:	LAKSHMI VILAS BANK LIMITED
(iv)	Category / Sub-Category of the Company	:	COMPANY LIMITED BY SHARES / INDIAN NON-GOVERNMENT COMPANY
(v)	Address of the Registered Office and contact details	:	SALEM ROAD, KATHAPARAI, KARUR - 639006 TAMIL NADU Tel: 04324-258501 Email : secretarial@lvbank.in Website : www.lvbank.com
(vi)	Whether listed company	:	YES (The National Stock Exchange of India Ltd & BSE Ltd)
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	**Integrated Registry Management Services Private Limited** II Floor, 'Kences Towers' No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600017 Tel: +91 44 28140801/2/3 Fax: +91 44 28142479 Website: www.intergratedindia.in Email: lvb@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	BANKING	64191	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
Not Applicable					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding:

CAT CODE	CATEGORY OF SHAREHOLDERS	NO OF SHARES HELD AT THE THE BEGINNING OF THE YEAR				NO OF SHARES HELD AT THE END OF THE YEAR				
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	% CHANGE DURING THE YEAR
A	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
(1)	Indian									
a	Individual/Hindu Undivided Family	4997016	0	4997016	2.61	7182574	0	7182574	2.81	0.20
b	Central Government	0	0	0	0.00	0	0	0	0	0
c	State Government	0	0	0	0.00	0	0	0	0	0
d	Bodies Corporate	12328132	0	12328132	6.44	15839379	0	15839379	6.19	-0.25
e	Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
f	Any other(specify)	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL A(1)	17325148	0	17325148	9.05	23021953	0	23021953	8.99	-0.06
(2)	Foreign									
a	Individual(Non resident/foreign)	0	0	0	0.00	0	0	0	0.00	0.00
b	Bodies corporate	0	0	0	0.00	0	0	0	0.00	0.00
c	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
e	Any other(specify)	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL A(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of promoter and Promoter Group(A)=A(1)+A(2)	17325148	0	17325148	9.05	23021953	0	23021953	8.99	-0.06
B	Public Shareholding									
(1)	Institutions									
a	Mutual funds/UTI	2622	0	2622	0.00	178000	0	178000	0.07	0.07
b	Financial Institutions/Banks	4272636	2250	4274886	2.23	8642812	0	8642812	3.38	1.15
c	Central Government	0	0	0	0.00	418763	0	418763	0.16	0.16
d	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
e	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f	Insurance Companies	462678	0	462678	0.24	591904	0	591904	0.23	-0.01
g	Foreign Institutional Investors	3054190	10850	3065040	1.60	0	10200	10200	0.00	-1.60
h	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
i	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
j	Any other (Foreign Portfolio Investor - Corporate)	14273511	0	14273511	7.46	17611802	0	17611802	6.88	-0.58
	SUB TOTAL B(1)	22065637	13100	22078737	11.53	27443281	10200	27453481	10.72	-0.81
(2)	Non-Institutions									
a	Bodies Corporate(Indian/foreign/ Overseas)	57692380	18367	57710747	30.14	83602920	14251	83617171	32.66	2.52
b	Individuals(Resident/NRI/Foreign National)									
(i)	Individual shareholders holding Nominal share Capital upto ₹ 1 Lakh	36731083	8707785	45438868	23.73	49806957	8490591	58297548	22.77	-0.96
(ii)	Individual shareholders holding Nominal share Capital above ₹ 1 Lakh	45000891	1002766	46003657	24.03	59678314	1042001	60720315	23.72	-0.31
c	Any other(Clearing Member, Corporate Body - Limited Liability Partnership, Corporate CM/TM - Client Margin A/c, Corporate CM/TM-Collateral Account, Corporate CM/TM-Proprietary Account, Limited Liability Partnership, LLP-PMS, Trust-PMS, Trusts)	2889590	0	2889590	1.51	2883285	0	2883285	1.13	-0.38
	SUB TOTAL B(2)	142313944	9728918	152042862	79.42	195971476	9546843	205518319	80.28	0.86
	Total Public Share Holding (B) = B(1)+B(2)	164379581	9742018	174121599	90.95	223414757	9557043	232971800	91.01	0.06
	TOTAL (A)+(B)	181704729	9742018	191446747	100.00	246436710	9557043	255993753	100.00	0.00
C	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	**181704729**	**9742018**	**191446747**	**100.00**	**246436710**	**9557043**	**255993753**	**100.00**	**0.00**

(ii) Shareholding of promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	K R Pradeep	4215285	2.20	0.00	6220378	2.43	0.00	0.23
2	Anuradha Pradeep	6216	0.00	0.00	8288	0.00	0.00	0.00
3	Kare Electronics and Development Private Limited	1259569	0.66	0.00	1679425	0.66	0.00	0.00
4	Pranava Electronics Pvt Ltd	3412464	1.78	0.00	4549952	1.78	0.00	0.00
5	S G Prabhakaran	4004	0.00	0.00	5338	0.00	0.00	0.00
6	Usha R Prabhakaran	115256	0.06	0.00	153674	0.06	0.00	0.00
7	G P Prajnesh	14200	0.01	0.00	18933	0.01	0.00	0.00
8	G Sudhakara Gupta	2000	0.00	0.00	2666	0.00	0.00	0.00
9	Sasikaladhevi M R	1500	0.00	0.00	666	0.00	0.00	0.00
10	Ariston Capital Asset Holdings Private Limited	1847559	0.97	0.79	2463411	0.96	0.96	0.00
11	Tangerine Capital Asset Holdings LLP	2812258	1.47	1.47	3149677	1.23	1.23	-0.24
12	XS Real Properties Private Limited	14008	0.01	0.00	18677	0.01	0.00	0.00
13	M P Shyam	135622	0.07	0.00	180829	0.07	0.00	0.00
14	M S Sharmila	119870	0.06	0.00	159826	0.06	0.06	0.00
15	M K Panduranga Setty	2071	0.00	0.00	2761	0.00	0.00	0.00
16	P Vasantha	17930	0.01	0.00	18906	0.01	0.00	0.00
17	M P Vikram Setty	1202	0.00	0.00	0	0.00	0.00	0.00
18	M S Nivedita	10000	0.01	0.00	13333	0.01	0.00	0.00
19	Advaith Motors Pvt Ltd	1972515	1.03	1.03	2630020	1.03	0.77	0.00
20	Cauvery Motors Pvt Ltd	1009759	0.53	0.52	1346345	0.53	0.39	0.00
21	N Malayalaramamirtham	81628	0.04	0.02	79634	0.03	0.01	-0.01
22	M Geetha	19142	0.01	0.00	20522	0.01	0.00	0.00
23	M Balasubramanian	6531	0.00	0.00	8707	0.00	0.00	0.00
24	N Susila	11965	0.01	0.00	11965	0.00	0.00	-0.01
25	N Saiprasad	143302	0.07	0.01	163365	0.06	0.00	-0.01
26	N Dwarakanathan	717	0.00	0.00	1753	0.00	0.00	0.00
27	N Sivakumar	56985	0.03	0.01	76777	0.03	0.00	0.00
28	M Shalini	12225	0.01	0.00	7633	0.00	0.00	-0.01
29	V N Jayaprakash	19365	0.01	0.00	26620	0.01	0.00	0.00
30	Shri Gayathri & Co	0	0.00	0.00	1872	0.00	0.00	0.00
31	Anirudh P Kare	0	0.00	NA	0	0.00	NA	0.00
32	Parinita P Kare	0	0.00	NA	0	0.00	NA	0.00
33	K R Nagesh	0	0.00	NA	0	0.00	NA	0.00
34	K R Satish	0	0.00	NA	0	0.00	NA	0.00
35	G. Chandralakshmi	0	0.00	NA	0	0.00	NA	0.00
36	Kare Power Resources Private Limited	0	0.00	NA	0	0.00	NA	0.00
37	Kare Investments Private Limited	0	0.00	NA	0	0.00	NA	0.00
38	Brindavan Hydropower Pvt Ltd	0	0.00	NA	0	0.00	NA	0.00
39	Greenbanyan Power Pvt Ltd	0	0.00	NA	0	0.00	NA	0.00
40	MPrime Premises Pvt Ltd	0	0.00	NA	0	0.00	NA	0.00
41	ILMS Projects Pvt Ltd	0	0.00	NA	0	0.00	NA	0.00
42	ILMS Builders Pvt Ltd	0	0.00	NA	0	0.00	NA	0.00
43	Milestone Plot Developers Pvt Ltd	0	0.00	NA	0	0.00	NA	0.00
44	Pranava DMCC	0	0.00	NA	0	0.00	NA	0.00
45	Pranava City Complex Pvt Ltd	0	0.00	NA	0	0.00	NA	0.00
46	Holzwerk Interior Private Limited	0	0.00	NA	0	0.00	NA	0.00

(ii) Shareholding of promoters: *(contd.)*

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
47	Alpine Holdings LLP	0	0.00	NA	0	0.00	NA	0.00
48	Chrysalis Play-School LLP	0	0.00	NA	0	0.00	NA	0.00
49	Scotwood Estate LLP	0	0.00	NA	0	0.00	NA	0.00
50	Tangerine Stock Estate LLP	0	0.00	NA	0	0.00	NA	0.00
51	XS Real Properties Service LLP	0	0.00	NA	0	0.00	NA	0.00
52	Acestar Properties Private Limited	0	0.00	NA	0	0.00	NA	0.00
53	Helios Estate Private Limited	0	0.00	NA	0	0.00	NA	0.00
54	Amaryllis Properties Private Limited	0	0.00	NA	0	0.00	NA	0.00
55	Magenta Ceramik Systems Private Limited	0	0.00	NA	0	0.00	NA	0.00
56	Enveedu Properties LLP	0	0.00	NA	0	0.00	NA	0.00
57	Magenta Re Asset Private Limited	0	0.00	NA	0	0.00	NA	0.00
58	Pallava Estate LLP	0	0.00	NA	0	0.00	NA	0.00
59	Holzwerk Jardins Interior LLP	0	0.00	NA	0	0.00	NA	0.00
60	Jacaranda Properties Pvt Ltd	0	0.00	NA	0	0.00	NA	0.00
61	Allbless Tracon Private Limited	0	0.00	NA	0	0.00	NA	0.00
62	Dotmark Vinimay Private Limited	0	0.00	NA	0	0.00	NA	0.00
63	Alllike Marketing Private Limited	0	0.00	NA	0	0.00	NA	0.00
64	Akshara Motors Private Limited	0	0.00	NA	0	0.00	NA	0.00
65	Ananya Software Private Limited	0	0.00	NA	0	0.00	NA	0.00
66	Advaith Spares & Accessories Private Limited	0	0.00	NA	0	0.00	NA	0.00
67	Advaith Automation Private Limited	0	0.00	NA	0	0.00	NA	0.00
68	Mysore Snack Foods Limited	0	0.00	NA	0	0.00	NA	0.00
69	Mysore Vegetable Oil Products Limited	0	0.00	NA	0	0.00	NA	0.00
70	Advaith Marketing Private Limited	0	0.00	NA	0	0.00	NA	0.00
71	Lathangi Motors Private Limited	0	0.00	NA	0	0.00	NA	0.00
72	Lathangi Automobiles Private Limited	0	0.00	NA	0	0.00	NA	0.00
73	Wilworth Earth Movers Private Limited	0	0.00	NA	0	0.00	NA	0.00
74	Lathangi Cycle And Carriage Private Limited	0	0.00	NA	0	0.00	NA	0.00
75	Wilway Engineering And Constructions Private Limited	0	0.00	NA	0	0.00	NA	0.00
76	Lathangi Equipments Private Limited	0	0.00	NA	0	0.00	NA	0.00
77	Yashaswini Motors Private Limited	0	0.00	NA	0	0.00	NA	0.00
78	Krishna Industries Private Limited	0	0.00	NA	0	0.00	NA	0.00
79	Venkateshwara Exports	0	0.00	NA	0	0.00	NA	0.00
80	K.V.N Finance	0	0.00	NA	0	0.00	NA	0.00
81	Shri Gayathiri Credit Co	0	0.00	NA	0	0.00	NA	0.00
82	Shri Gayathiri Financiers	0	0.00	NA	0	0.00	NA	0.00
83	Shri Gayathiri Chits	0	0.00	NA	0	0.00	NA	0.00
84	K.N.Viswanatha Chettiyar & Co	0	0.00	NA	0	0.00	NA	0.00
85	Susila Leasings	0	0.00	NA	0	0.00	NA	0.00
86	Gayathiri Finance Corporations	0	0.00	NA	0	0.00	NA	0.00
87	Shri Gayathri Finance & Investments	0	0.00	NA	0	0.00	NA	0.00
88	Dhanesh Chits	0	0.00	NA	0	0.00	NA	0.00
89	Gayathiri Associates	0	0.00	NA	0	0.00	NA	0.00
90	Gayathiri Leasings	0	0.00	NA	0	0.00	NA	0.00
91	Gayathiri Credits	0	0.00	NA	0	0.00	NA	0.00
	Total	17325148	9.05	3.85	23021953	8.99	3.43	-0.06

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.	NAME		Shareholding at the beginning of the year		Increase / Decrease		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	K R Pradeep							
	Opening Balance as on 01/04/2017		4215285	2.20				
	10/01/2018	Rights Issue			2005093	0.78	6220378	2.43
	Closing Balance as on 31/03/2018						6220378	2.43
2	Anuradha Pradeep							
	Opening Balance as on 01/04/2017		6216	0.00				
	10/01/2018	Rights Issue			2072	0.00	8288	0.00
	Closing Balance as on 31/03/2018						8288	0.00
3	Kare Electronics and Development Private Limited							
	Opening Balance as on 01/04/2017		1259569	0.66				
	10/01/2018	Rights Issue			419856	0.16	1679425	0.66
	Closing Balance as on 31/03/2018						1679425	0.66
4	Pranava Electronics Pvt Ltd							
	Opening Balance as on 01/04/2017		3412464	1.78				
	10/01/2018	Rights Issue			1137488	0.44	4549952	1.78
	Closing Balance as on 31/03/2018						4549952	1.78
5	S G Prabhakharan							
	Opening Balance as on 01/04/2017		4004	0.00				
	10/01/2018	Rights Issue			338753	0.13	342757	0.13
	12/01/2018	Off-Market Sale			-337419	-0.13	5338	0.00
	Closing Balance as on 31/03/2018						5338	0.00
6	Usha R Prabakaran							
	Opening Balance as on 01/04/2017		115256	0.06				
	10/01/2018	Rights Issue			38418	0.02	153674	0.06
	Closing Balance as on 31/03/2018						153674	0.06
7	G P Prajnesh							
	Opening Balance as on 01/04/2017		14200	0.01				
	10/01/2018	Rights Issue			4733	0.00	18933	0.01
	Closing Balance as on 31/03/2018						18933	0.01
8	G Sudhakara Gupta							
	Opening Balance as on 01/04/2017		2000	0.00				
	10/01/2018	Rights Issue			666	0.00	2666	0.00
	Closing Balance as on 31/03/2018						2666	0.00
9	Sasikaladhevi M R							
	Opening Balance as on 01/04/2017		1500	0.00				
	18/07/2017	Market Sale			-1000	-0.00	500	0.00
	10/01/2018	Rights Issue			166	0.00	666	0.00
	Closing Balance as on 31/03/2018						666	0.00
10	Ariston Capital Asset Holdings Private Limited							
	Opening Balance as on 01/04/2017		1847559	0.97				
	10/01/2018	Rights Issue			615852	0.24	2463411	0.96
	Closing Balance as on 31/03/2018						2463411	0.96
11	Tangerine Capital Asset Holdings LLP							
	Opening Balance as on 01/04/2017		2812258	1.47				
	12/01/2018	Off-Market Purchase			337419	0.13	3149677	1.23
	Closing Balance as on 31/03/2018						3149677	1.23
12	XS Real Properties Private Limited							
	Opening Balance as on 01/04/2017		14008	0.01				
	10/01/2018	Rights Issue			4669	0.00	18677	0.01
	Closing Balance as on 31/03/2018						18677	0.01

(iii) Change in Promoters' Shareholding (please specify, if there is no change): *(Contd.)*

Sl. No.	NAME		Shareholding at the beginning of the year		Increase / Decrease		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
13	M P Shyam							
	Opening Balance as on 01/04/2017		135622	0.07				
	10/01/2018	Rights Issue			45207	0.02	180829	0.07
	Closing Balance as on 31/03/2018						180829	0.07
14	M S Sharmila							
	Opening Balance as on 01/04/2017		119870	0.06				
	10/01/2018	Rights Issue			39956	0.02	159826	0.06
	Closing Balance as on 31/03/2018						159826	0.06
15	M K Panduranga Setty							
	Opening Balance as on 01/04/2017		2071	0.00				
	10/01/2018	Rights Issue			690	0.00	2761	0.00
	Closing Balance as on 31/03/2018						2761	0.00
16	P Vasantha							
	Opening Balance as on 01/04/2017		17930	0.01				
	10/01/2018	Rights Issue			5976	0.00	23906	0.01
	15/01/2018	Market Sale			-5000	-0.00	18906	0.01
	Closing Balance as on 31/03/2018						18906	0.01
17	M.P.Vikram Setty							
	Opening Balance as on 01/04/2017		1202	0.00				
	08/11/2017	Off-Market Sale			-1202	-0.00	0.00	0.00
	Closing Balance as on 31/03/2018						0.00	0.00
18	M S Nivedita							
	Opening Balance as on 01/04/2017		10000	0.01				
	10/01/2018	Rights Issue			3333	0.00	13333	0.01
	Closing Balance as on 31/03/2018						13333	0.01
19	Advaith Motors Pvt Ltd							
	Opening Balance as on 01/04/2017		1972515	1.03				
	10/01/2018	Rights Issue			657505	0.26	2630020	1.03
	Closing Balance as on 31/03/2018						2630020	1.03
20	Cauvery Motors Pvt Ltd							
	Opening Balance as on 01/04/2017		1009759	0.53				
	10/01/2018	Rights Issue			336586	0.13	1346345	0.53
	Closing Balance as on 31/03/2018						1346345	0.53
21	N Malayalaramamirtham							
	Opening Balance as on 01/04/2017		81628	0.04				
	10/01/2018	Rights Issue			28006	0.01	109634	0.04
	12/02/2018	Market Sale			-5000	-0.00	104634	0.04
	26/02/2018	Market Sale			-25000	-0.01	79634	0.03
	Closing Balance as on 31/03/2018						79634	0.03
22	M Geetha							
	Opening Balance as on 01/04/2017		19142	0.01				
	10/01/2018	Rights Issue			6380	0.00	25522	0.01
	17/01/2018	Market Sale			-2000	-0.00	23522	0.01
	19/01/2018	Market Sale			-2000	-0.00	21522	0.01
	22/01/2018	Market Sale			-1000	-0.00	20522	0.01
	Closing Balance as on 31/03/2018						20522	0.01
23	M Balasubramanian							
	Opening Balance as on 01/04/2017		6531	0.00				
	10/01/2018	Rights Issue			2176	0.00	8707	0.00
	Closing Balance as on 31/03/2018						8707	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change): *(Contd.)*

Sl. No.	NAME		Shareholding at the beginning of the year		Increase / Decrease		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
24	N Susila							
	Opening Balance as on 01/04/2017		11965	0.01	No Change			
	Closing Balance as on 31/03/2018						11965	0.01
25	N Saiprasad							
	Opening Balance as on 01/04/2017		143302	0.07				
	25/09/2017	Market Purchase			1000	0.00	144302	0.08
	25/09/2017	Market Sale			-1000	-0.00	143302	0.08
	10/01/2018	Rights Issue			48563	0.02	191865	0.08
	01/03/2018	Off-Market Sale			-28500	-0.01	163365	0.06
	Closing Balance as on 31/03/2018						163365	0.06
26	N Dwarakanathan							
	Opening Balance as on 01/04/2017		717	0.00				
	10/01/2018	Rights Issue			1036	0.00	1753	0.00
	Closing Balance as on 31/03/2018						1753	0.00
27	N Sivakumar							
	Opening Balance as on 01/04/2017		56985	0.03				
	10/01/2018	Rights Issue			19792	0.01	76777	0.03
	Closing Balance as on 31/03/2018						76777	0.03
28	M Shalini							
	Opening Balance as on 01/04/2017		12225	0.01				
	04/10/2017	Market Sale			-6500	-0.00	5725	0.00
	10/01/2018	Rights Issue			1908	0.00	7633	0.00
	Closing Balance as on 31/03/2018						7633	0.00
29	V N Jayaprakash							
	Opening Balance as on 01/04/2017		19365	0.01				
	10/01/2018	Rights Issue			7255	0.00	26620	0.01
	Closing Balance as on 31/03/2018						26620	0.01
30	Shri Gayathri & Co							
	Opening Balance as on 01/04/2017		0.00	0.00				
	11/09/2017	Off-Market Purchase			1404	0.00	1404	0.00
	10/01/2018	Rights Issue			468	0.00	1872	0.00
	Closing Balance as on 31/03/2018						1872	0.00
31	Anirudh P Kare		0.00	0.00	No Change		0.00	0.00
32	Parinita P Kare		0.00	0.00	No Change		0.00	0.00
33	K R Nagesh		0.00	0.00	No Change		0.00	0.00
34	K R Satish		0.00	0.00	No Change		0.00	0.00
35	G. Chandralakshmi		0.00	0.00	No Change		0.00	0.00
36	Kare Power Resources Private Limited		0.00	0.00	No Change		0.00	0.00
37	Kare Investments Private Limited		0.00	0.00	No Change		0.00	0.00
38	Brindavan Hydropower Pvt Ltd		0.00	0.00	No Change		0.00	0.00
39	Greenbanyan Power Pvt Ltd		0.00	0.00	No Change		0.00	0.00
40	Mprime Premises Pvt Ltd		0.00	0.00	No Change		0.00	0.00
41	ILMS Projects Pvt Ltd		0.00	0.00	No Change		0.00	0.00
42	ILMS Builders Pvt Ltd		0.00	0.00	No Change		0.00	0.00
43	Milestone Plot Developers Pvt Ltd		0.00	0.00	No Change		0.00	0.00
44	Pranava DMCC		0.00	0.00	No Change		0.00	0.00
45	Pranava City Complex Pvt Ltd		0.00	0.00	No Change		0.00	0.00
46	Holzwerk Interior Private Limited		0.00	0.00	No Change		0.00	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change): *(Contd.)*

Sl. No.	NAME	Shareholding at the beginning of the year		Increase / Decrease		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
47	Alpine Holdings LLP	0.00	0.00	No Change		0.00	0.00
48	Chrysalis Play-School LLP	0.00	0.00	No Change		0.00	0.00
49	Scotwood Estate LLP	0.00	0.00	No Change		0.00	0.00
50	Tangerine Stock Estate LLP	0.00	0.00	No Change		0.00	0.00
51	XS Real Properties Service LLP	0.00	0.00	No Change		0.00	0.00
52	Acestar Properties Private Limited	0.00	0.00	No Change		0.00	0.00
53	Helios Estate Private Limited	0.00	0.00	No Change		0.00	0.00
54	Amaryllis Properties Private Limited	0.00	0.00	No Change		0.00	0.00
55	Magenta Ceramik Systems Private Limited	0.00	0.00	No Change		0.00	0.00
56	Enveedu Properties LLP	0.00	0.00	No Change		0.00	0.00
57	Magenta Re Asset Private Limited	0.00	0.00	No Change		0.00	0.00
58	Pallava Estate LLP	0.00	0.00	No Change		0.00	0.00
59	Holzwerk Jardins Interior LLP	0.00	0.00	No Change		0.00	0.00
60	Jacaranda Properties Pvt Ltd	0.00	0.00	No Change		0.00	0.00
61	Allbless Tracon Private Limited	0.00	0.00	No Change		0.00	0.00
62	Dotmark Vinimay Private Limited	0.00	0.00	No Change		0.00	0.00
63	Alllike Marketing Private Limited	0.00	0.00	No Change		0.00	0.00
64	Akshara Motors Private Limited	0.00	0.00	No Change		0.00	0.00
65	Ananya Software Private Limited	0.00	0.00	No Change		0.00	0.00
66	Advaith Spares & Accessories Private Limited	0.00	0.00	No Change		0.00	0.00
67	Advaith Automation Private Limited	0.00	0.00	No Change		0.00	0.00
68	Mysore Snack Foods Limited	0.00	0.00	No Change		0.00	0.00
69	Mysore Vegetable Oil Products Limited	0.00	0.00	No Change		0.00	0.00
70	Advaith Marketing Private Limited	0.00	0.00	No Change		0.00	0.00
71	Lathangi Motors Private Limited	0.00	0.00	No Change		0.00	0.00
72	Lathangi Automobiles Private Limited	0.00	0.00	No Change		0.00	0.00
73	Wilworth Earth Movers Private Limited	0.00	0.00	No Change		0.00	0.00
74	Lathangi Cycle And Carriage Private Limited	0.00	0.00	No Change		0.00	0.00
75	Wilway Engineering And Constructions Private Limited	0.00	0.00	No Change		0.00	0.00
76	Lathangi Equipments Private Limited	0.00	0.00	No Change		0.00	0.00
77	Yashaswini Motors Private Limited	0.00	0.00	No Change		0.00	0.00
78	Krishna Industries Private Limited	0.00	0.00	No Change		0.00	0.00
79	Venkateshwara Exports	0.00	0.00	No Change		0.00	0.00
80	K.V.N Finance	0.00	0.00	No Change		0.00	0.00
81	Shri Gayathiri Credit Co	0.00	0.00	No Change		0.00	0.00
82	Shri Gayathiri Financiers	0.00	0.00	No Change		0.00	0.00
83	Shri Gayathiri Chits	0.00	0.00	No Change		0.00	0.00
84	K.N.Viswanatha Chettiyar & Co	0.00	0.00	No Change		0.00	0.00
85	Susila Leasings	0.00	0.00	No Change		0.00	0.00
86	Gayathiri Finance Corporations	0.00	0.00	No Change		0.00	0.00
87	Shri Gayathri Finance & Investments	0.00	0.00	No Change		0.00	0.00
88	Dhanesh Chits	0.00	0.00	No Change		0.00	0.00
89	Gayathiri Associates	0.00	0.00	No Change		0.00	0.00
90	Gayathiri Leasings	0.00	0.00	No Change		0.00	0.00
91	Gayathiri Credits	0.00	0.00	No Change		0.00	0.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	NAME		Shareholding at the beginning of the year		Increase / Decrease		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Max Life Insurance Co Ltd							
	Opening Balance as on 01/04/2017		8249606	4.31				
	05/05/2017	Market Purchase			100000	0.05	8349606	4.35
	04/08/2017	Market Purchase			64313	0.03	8413919	4.39
	06/12/2017	Market Purchase			494717	0.26	8908636	4.64
	10/01/2018	Rights Issue			2969543	1.16	11878179	4.64
	Closing Balance as on 31/03/2018						11878179	4.64
2	Karvy Stock Broking Ltd							
	Opening Balance as on 01/04/2017		40850	0.02				
	07/04/2017	Market Sale			-12396	-0.01	28454	0.01
	14/04/2017	Market Purchase			6758	0.00	35212	0.02
	21/04/2017	Market Purchase			9895	0.01	45107	0.02
	28/04/2017	Market Sale			-690	-0.00	44417	0.02
	05/05/2017	Market Purchase			16174	0.01	60591	0.03
	12/05/2017	Market Sale			-6986	-0.00	53605	0.03
	19/05/2017	Market Sale			-13028	-0.01	40577	0.02
	26/05/2017	Market Sale			-386	-0.00	40191	0.02
	02/06/2017	Market Sale			-5933	-0.00	34258	0.02
	09/06/2017	Market Purchase			1976	0.00	36234	0.02
	16/06/2017	Market Sale			-1612	-0.00	34622	0.02
	23/06/2017	Market Purchase			2965	0.00	37587	0.02
	30/06/2017	Market Sale			-1777	-0.00	35810	0.02
	07/07/2017	Market Sale			-2238	-0.00	33572	0.02
	10/07/2017	Market Purchase			4016	0.00	37588	0.02
	11/07/2017	Market Sale			-926	-0.00	36662	0.02
	14/07/2017	Market Purchase			1731	0.00	38393	0.02
	21/07/2017	Market Sale			-1274	-0.00	37119	0.02
	28/07/2017	Market Purchase			24539	0.01	61658	0.03
	04/08/2017	Market Sale			-8732	-0.00	52926	0.03
	11/08/2017	Market Sale			-7843	-0.00	45083	0.02
	18/08/2017	Market Sale			-4272	-0.00	40811	0.02
	25/08/2017	Market Purchase			1107	0.00	41918	0.02
	01/09/2017	Market Sale			-1645	-0.00	40273	0.02
	08/09/2017	Market Sale			-1659	-0.00	38614	0.02
	15/09/2017	Market Purchase			2604	0.00	41218	0.02
	22/09/2017	Market Purchase			5616	0.00	46834	0.02
	30/09/2017	Market Purchase			7403	0.00	54237	0.03
	06/10/2017	Market Purchase			4035	0.00	58272	0.03
	13/10/2017	Market Purchase			15742	0.01	74014	0.04

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): *(Contd.)*

Sl. No.	NAME		Shareholding at the beginning of the year		Increase / Decrease		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	20/10/2017	Market Purchase			652498	0.34	726512	0.38
	27/10/2017	Market Purchase			1583853	0.83	2310365	1.20
	31/10/2017	Market Purchase			301299	0.16	2611664	1.36
	03/11/2017	Market Purchase			466483	0.24	3078147	1.60
	10/11/2017	Market Sale			-1313725	-0.68	1764422	0.92
	17/11/2017	Market Purchase			318472	0.17	2082894	1.08
	24/11/2017	Market Purchase			3312545	1.73	5395439	2.81
	01/12/2017	Market Purchase			499655	0.26	5895094	3.07
	06/12/2017	Market Sale			-417486	-0.22	5477608	2.85
	08/12/2017	Market Purchase			2192	0.00	5479800	2.85
	15/12/2017	Market Purchase			729	0.00	5480529	2.85
	22/12/2017	Market Purchase			2026366	1.06	7506895	3.91
	29/12/2017	Market Purchase			253732	0.13	7760627	4.04
	30/12/2017	Market Purchase			510	0.00	7761137	4.04
	05/01/2018	Market Sale			-169564	-0.07	7591573	2.97
	10/01/2018	Rights Issue			2285103	0.89	9876676	3.85
	12/01/2018	Market Sale			-111716	-0.04	9764960	3.81
	19/01/2018	Market Sale			-1208768	-0.47	8556192	3.34
	26/01/2018	Market Purchase			15148	0.01	8571340	3.35
	02/02/2018	Market Sale			-821585	-0.32	7749755	3.03
	09/02/2018	Market Purchase			546771	0.21	8296526	3.24
	16/02/2018	Market Purchase			281529	0.11	8578055	3.35
	23/02/2018	Market Purchase			14929	0.01	8592984	3.36
	02/03/2018	Market Purchase			997417	0.39	9590401	3.75
	09/03/2018	Market Purchase			166395	0.06	9756796	3.81
	16/03/2018	Market Purchase			613192	0.24	10369988	4.05
	23/03/2018	Market Purchase			464677	0.18	10834665	4.23
	30/03/2018	Market Purchase			365159	0.14	11199824	4.38
	31/03/2018	Market Purchase			640	0.00	11200464	4.38
	Closing Balance as on 31/03/2018						11200464	4.38
3	DHFL Pramerica Life Insurance Co. Ltd							
	Opening Balance as on 01/04/2017		5992569	3.13				
	07/04/2017	Market Purchase			100000	0.05	6092569	3.18
	14/04/2017	Market Purchase			300000	0.16	6392569	3.34
	21/04/2017	Market Purchase			268656	0.14	6661225	3.48
	28/04/2017	Market Sale			-59911	-0.03	6601314	3.45
	22/09/2017	Market Purchase			70000	0.04	6671314	3.48
	05/01/2018	Market Sale			-228251	-0.09	6443063	2.52
	10/01/2018	Rights Issue			2868852	1.12	9311915	3.64
	12/01/2018	Market Sale			-125000	-0.05	9186915	3.59
	Closing Balance as on 31/03/2018						9186915	3.59

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): *(Contd.)*

Sl. No.	NAME		Shareholding at the beginning of the year		Increase / Decrease		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4	M N DASTUR and Co Private Limited							
	Opening Balance as on 01/04/2017		6770169	3.54				
	07/04/2017	Market Purchase			236514	0.12	7006683	3.66
	14/04/2017	Market Purchase			49013	0.03	7055696	3.69
	21/04/2017	Market Purchase			20000	0.01	7075696	3.70
	30/06/2017	Market Sale			-150000	-0.08	6925696	3.61
	14/07/2017	Market Purchase			150000	0.08	7075696	3.69
	28/07/2017	Market Purchase			49576	0.03	7125272	3.71
	04/08/2017	Market Purchase			95000	0.05	7220272	3.76
	11/08/2017	Market Purchase			60000	0.03	7280272	3.80
	18/08/2017	Market Purchase			10000	0.01	7290272	3.80
	25/08/2017	Market Sale			-10000	-0.01	7280272	3.80
	30/09/2017	Market Purchase			115920	0.06	7396192	3.86
	06/10/2017	Market Purchase			158662	0.08	7554854	3.94
	20/10/2017	Market Purchase			50000	0.03	7604854	3.96
	01/12/2017	Market Sale			-100000	-0.05	7504854	3.91
	06/12/2017	Market Sale			-100000	-0.05	7404854	3.86
	22/12/2017	Market Sale			-400000	-0.21	7004854	3.65
	29/12/2017	Market Sale			-1203323	-0.63	5801531	3.02
	10/01/2018	Rights Issue			2468285	0.96	8269816	3.23
	12/01/2018	Market Purchase			75000	0.03	8344816	3.26
	02/02/2018	Market Purchase			300000	0.12	8644816	3.38
	09/02/2018	Market Purchase			79347	0.03	8724163	3.41
	16/02/2018	Market Purchase			70850	0.03	8795013	3.44
	23/02/2018	Market Purchase			344109	0.13	9139122	3.57
	02/03/2018	Market Purchase			142011	0.06	9281133	3.63
	09/03/2018	Market Purchase			140000	0.05	9421133	3.68
	23/03/2018	Market Sale			-640000	-0.25	8781133	3.43
	30/03/2018	Market Purchase			215000	0.08	8996133	3.51
	Closing Balance as on 31/03/2018						8996133	3.51
5	Plaza Agencies (P) Ltd							
	Opening Balance as on 01/04/2017		4000000	2.09				
	10/01/2018	Rights Issue			1753500	0.68	5753500	2.25
	Closing Balance as on 31/03/2018						5753500	2.25
6.	Birla Sun Life Insurance Company Limited							
	Opening Balance as on 01/04/2017		5838657	3.05				
	26/05/2017	Market Sale			-128000	-0.07	5710657	2.98
	Closing Balance as on 31/03/2018						5710657	2.23

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): *(Contd.)*

Sl. No.	NAME		Shareholding at the beginning of the year		Increase / Decrease		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7.	Life Insurance Corporation of India							
	Opening Balance as on 01/04/2017		399852	0.21				
	23/06/2017	Market Purchase			50000	0.03	449852	0.23
	30/06/2017	Market Purchase			405409	0.21	855261	0.45
	07/07/2017	Market Purchase			334600	0.17	1189861	0.62
	21/07/2017	Market Purchase			718396	0.37	1908257	0.99
	28/07/2017	Market Purchase			1194996	0.62	3103253	1.62
	25/08/2017	Market Purchase			526784	0.27	3630037	1.89
	01/09/2017	Market Purchase			473216	0.25	4103253	2.14
	10/01/2018	Rights Issue			1367751	0.53	5471004	2.14
	Closing Balance as on 31/03/2018						5471004	2.14
8.	Yunus Zia							
	Opening Balance as on 01/04/2017		2418242	1.26				
	28/04/2017	Market Sale			-350000	-0.18	2068242	1.08
	23/06/2017	Market Sale			-384790	-0.20	1683452	0.88
	30/06/2017	Market Sale			-102979	-0.05	1580473	0.82
	07/07/2017	Market Sale			-77040	-0.04	1503433	0.78
	11/07/2017	Market Sale			-18326	-0.01	1485107	0.77
	14/07/2017	Market Purchase			100000	0.05	1585107	0.83
	04/08/2017	Market Sale			-481748	-0.25	1103359	0.58
	11/08/2017	Market Sale			-10116	-0.01	1093243	0.57
	24/11/2017	Market Purchase			483748	0.25	1576991	0.82
	01/12/2017	Market Purchase			950000	0.49	2526991	1.32
	06/12/2017	Market Purchase			400000	0.21	2926991	1.52
	15/12/2017	Market Purchase			200000	0.10	3126991	1.63
	22/12/2017	Market Purchase			400000	0.21	3526991	1.84
	10/01/2018	Rights Issue			1283120	0.50	4810111	1.88
	19/01/2018	Market Sale			-1000000	-0.39	3810111	1.49
	02/02/2018	Market Purchase			800000	0.31	4610111	1.80
	09/02/2018	Market Purchase			187631	0.07	4797742	1.87
	16/02/2018	Market Purchase			225000	0.09	5022742	1.96
	23/02/2018	Market Purchase			220000	0.09	5242742	2.05
	Closing Balance as on 31/03/2018						5242742	2.05
9	EQ Assets							
	Opening Balance as on 01/04/2017		4082038	2.13				
	21/04/2017	Market Purchase			100000	0.05	4182038	2.18
	28/04/2017	Market Purchase			150000	0.08	4332038	2.26
	24/11/2017	Market Sale			-900000	-0.47	3432038	1.79
	10/01/2018	Rights Issue			1144012	0.45	4576050	1.79
	Closing Balance as on 31/03/2018						4576050	1.79

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): *(Contd.)*

Sl. No.	NAME		Shareholding at the beginning of the year		Increase / Decrease		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
10	Nomura Singapore Limited							
	Opening Balance as on 01/04/2017		2969412	1.55				
	22/09/2017	Market Purchase			375000	0.20	3344412	1.74
	01/12/2017	Market Purchase			100	0.00	3344512	1.74
	22/12/2017	Market Sale			-100	-0.00	3344412	1.74
	05/01/2018	Market Sale			-83398	-0.03	3261014	1.27
	10/01/2018	Rights Issue			1466154	0.57	4727168	1.84
	12/01/2018	Market Sale			-267920	-0.10	4459248	1.74
	Closing Balance as on 31/03/2018						4459248	1.74
11	Shivanand Shankar Mankekar							
	Opening Balance as on 01/04/2017		3780000	1.97				
	10/01/2018	Rights Issue			1500000	0.59	5280000	2.06
	02/03/2018	Market Sale			-2079000	-0.81	3201000	1.25
	Closing Balance as on 31/03/2018						3201000	1.25
12	Jupiter Capital Private Limited							
	Opening Balance as on 01/04/2017		3744565	1.96				
	05/05/2017	Market Sale			-28000	-0.01	3716565	1.94
	12/05/2017	Market Sale			-480058	-0.25	3236507	1.69
	19/05/2017	Market Sale			-50000	-0.03	3186507	1.66
	02/06/2017	Market Sale			-53790	-0.03	3132717	1.63
	09/06/2017	Market Sale			-227717	-0.12	2905000	1.51
	22/09/2017	Market Sale			-148000	-0.08	2757000	1.44
	29/09/2017	Market Sale			-236500	-0.12	2520500	1.31
	10/01/2018	Rights Issue			1104923	0.43	3625423	1.42
	Closing Balance as on 31/03/2018						3625423	1.42
13	Sivan Securities Private Limited							
	Opening Balance as on 01/04/2017		2695000	1.41				
	16/06/2017	Market Sale			-100000	-0.05	2595000	1.35
	29/09/2017	Market Sale			-865000	-0.45	1730000	0.90
	30/09/2017	Market Purchase			865000	0.45	2595000	1.35
	29/12/2017	Market Sale			-65000	-0.03	2530000	1.32
	10/01/2018	Rights Issue			1137582	0.44	3667582	1.43
	23/03/2018	Market Purchase			65000	0.02	3732582	1.46
	Closing Balance as on 31/03/2018						3732582	1.46

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	NAME		Shareholding at the beginning of the year		Increase / Decrease		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	B.K. Manjunath Non-Executive Chairman							
	Opening Balance as on 01/04/2017		159616	0.06				
	12/05/2017	Market Purchase			14	0.00	159630	0.06
	10/01/2018	Rights Issue			53209	0.02	212839	0.08
	Closing Balance as on 31/03/2018						212839	0.08
2	Parthasarathi Mukherje Managing Director & CEO							
	Opening Balance as on 01/04/2017		0.00	0.00				
	12/05/2017	ESOS			360000	0.14	360000	0.14
	10/01/2018	Rights Issue			120000	0.05	480000	0.19
	Closing Balance as on 31/03/2018						480000	0.19
3	N Malayalaramamirtham							
	Opening Balance as on 01/04/2017		81628	0.04				
	10/01/2018	Rights Issue			28006	0.01	109634	0.04
	12/02/2018	Market Sale			-5000	-0.00	104634	0.04
	26/02/2018	Market Sale			-25000	-0.01	79634	0.03
	Closing Balance as on 31/03/2018						79634	0.03
4	Y N Lakshminarayana Murthy							
	Opening Balance as on 01/04/2017		0.00	0.00				
	14/08/2017	Market Purchase			290	0.00	290	0.00
	17/08/2017	Market Purchase			280	0.00	570	0.00
	27/10/2017	Market Purchase			650	0.00	1220	0.00
	10/01/2018	Rights Issue			406	0.00	1626	0.00
	Closing Balance as on 31/03/2018						1626	0.00
5	Kusuma R Muniraju							
	Opening Balance as on 01/04/2017		432583	0.23				
	10/01/2018	Rights Issue			144193	0.06	576776	0.23
	21/02/2018	Market Sale			-14278	-0.01	562498	0.22
	23/02/2018	Market Sale			-2272	-0.00	560226	0.22
	12/03/2018	Market Sale			-2000	-0.00	558226	0.22
	13/03/2018	Market Sale			-50000	-0.02	508226	0.20
	14/03/2018	Market Sale			-25000	-0.01	483226	0.19
	15/03/2018	Market Sale			-25000	-0.01	458226	0.18
	21/03/2018	Market Sale			-48100	-0.02	410126	0.16
	Closing Balance as on 31/03/2018						410126	0.16
6	Anuradha Pradeep							
	Opening Balance as on 01/04/2017		6216	0.00				
	10/01/2018	Rights Issue			2072	0.00	8288	0.00
	Closing Balance as on 31/03/2018						8288	0.00
7	Hemant Kaul		0.00	0.00	No Change		0.00	0.00

(v) Shareholding of Directors and Key Managerial Personnel: *(Contd.)*

Sl. No.	NAME		Shareholding at the beginning of the year		Increase / Decrease		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
8	G Sudhakara Gupta							
	Opening Balance as on 01/04/2017		2000	0.00				
	10/01/2018	Rights Issue			666	0.00	2666	0.00
	Closing Balance as on 31/03/2018						2666	0.00
9	Suvendu Pati - RBI Nominee		0.00	0.00	No Change		0.00	0.00
10	Rajnish Kumar - RBI Nominee		0.00	0.00	No Change		0.00	0.00
11	N Ramanathan - Company Secretary		0.00	0.00	No Change		0.00	0.00
12	N S Venkatesh - Executive Director & CFO (till 21-10-2017)							
	Opening Balance as on 01/04/2017		0.00	0.00				
	20/10/2017	ESOS			100000	0.05	100000	0.05
	17/11/2017	Market Sale			-30000	-0.02	70000	0.04
	24/11/2017	Market Sale			-30000	-0.02	40000	0.02
	22/12/2017	Market Sale			-10000	-0.01	30000	0.02
	10/01/2018	Rights Issue			13333	0.01	43333	0.02
	Closing Balance as on 31/03/2018						43333	0.02
13	S G Prabhakharan (till 22-06-2017)							
	Opening Balance as on 01/04/2017		4004	0.00				
	10/01/2018	Rights Issue			338753	0.13	342757	0.13
	12/01/2018	Off-Market Sale			-337419	-0.13	5338	0.00
	Closing Balance as on 31/03/2018						5338	0.00
14	Prakash P Mallya (till 18-07-2017)							
	Opening Balance as on 01/04/2017		100	0.00				
	10/01/2018	Rights Issue			44	0.00	144	0.00
	Closing Balance as on 31/03/2018						144	0.00
15	Pankaj Vaish (till 18-07-2017)							
	Opening Balance as on 01/04/2017		100	0.00				
	19/08/2017	Market Sale			-100	-0.00		
	Closing Balance as on 31/03/2018						0.00	0.00
16	E V Sumithasri (till 30.03.2018)							
	Opening Balance as on 01/04/2017		100	0.00				
	05/05/2017	Market Purchase			4475	0.00	4575	0.00
	08/05/2017	Market Purchase			1831	0.00	6406	0.00
	09/05/2017	Market Purchase			3681	0.00	10087	0.00
	10/01/2018	Rights Issue			4423	0.00	14510	0.01
	Closing Balance as on 31/03/2018					14510	0.01	
17	S Dattathreyan (till 07-03-2018)							
	Opening Balance as on 01/04/2017		125998	0.07				
	10/01/2018	Rights Issue			41999	0.02	167997	0.07
	22/01/2018	Market Sale			-3000	-0.00	164997	0.06
	23/01/2018	Market Sale			-2000	-0.00	162997	0.06
	29/01/2018	Market Sale			-2000	-0.00	160997	0.06
	Closing Balance as on 31/03/2018						160997	0.06

Note:

1. Wherever the exact dates of Market purchase/sale are not available with us, we have considered the dates on which the statements of beneficial ownerships are received by us from the depositories through Registrar.
2. The lack of variation in terms of percentage of holding in cases where there has been changes in shareholding is due to allotment of shares to eligible shareholders on Rights Basis during the year 2017-18.

V. INDEBTEDNESS:

Indebtedness of the Bank including interest outstanding / accrued but not due for payment. **(₹ in crore)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits *	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	1,773.13	–	1,773.13
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	2.05	–	2.05
Total (i + ii + iii)	**–**	**1,775.18**	**–**	**1,775.18**
Change in Indebtedness during the financial year				
• Addition	–	2,830.91	–	2,830.91
• Reduction	–	(589.70)	–	(589.70)
Net Change	**–**	**2,241.21**	**–**	**2,241.21**
Indebtedness at the end of the financial year				
i) Principal Amount	–	4,012.78	–	4,012.78
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	3.61	–	3.61
Total (i + ii + iii)	**–**	**4,016.39**	**–**	**4,016.39**

* Since deposits accepted are in ordinary course of banking business, this disclosure is not applicable to the Bank.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Shri Parthasarathi Mukherjee MD & CEO **	Shri Venkatesh N S ED & CFO (from 01.04.2017 to 21.10.2017)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40,00,000.00	21,70,161.29	61,70,161.29
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,64,76,680.60	75,53,914.52	5,40,30,595.12
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission - as % of profit - others, specify	–	–	–
5	Others, (Employers' Contribution to Provident Fund,Gas Electricity,Petrol & Office Expenses, Leave Fare Concession, Insurance Premium payment)	4,77,514.38	3,66,758.00	8,44,272.38
	Total (A)	50,954,194.98	10,090,833.81	61,045,028.79

**Salary for MD pertaining to February 2018 & March 2018 has been waived by himself.

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Director (Shri / Smt)	Total Amount (in₹)
1.	Honorarium Paid to Part-Time Chairman	B.K. Manjunath	10,00,000.00
	• Fee for attending Board/Committee Meetings		15,75,000.00
2.	Independent Directors		
	• Fee for attending Board/Committee Meetings	Y.N.Lakshminarayana Murthy	8,75,000.00
		Kusuma R Muniraju	16,10,000.00
		Hemant Kaul	9,45,000.00
		S.Dattathreyan	14,00,000.00
		E.V.Sumithasri	8,05,000.00
		Pankaj Vaish	3,85,000.00
		Prakash P Mallya	3,50,000.00
	• Commission		NIL
	• Others, please specify		NIL
	Total (1)		89,45,000.00

B. Remuneration to other Directors: *(contd.)*

Sl. No.	Particulars of Remuneration	Name of Director (Shri / Smt)	Total Amount (in₹)
3.	Other Non-Executive Directors		
	• Fee for attending Board/Committee Meetings	N. Malayalaramamirtham	14,00,000.00
		Anuradha Pradeep	16,45,000.00
		G Sudhakara Gupta	4,55,000.00
		S.G. Prabhakharan	2,80,000.00
	• Commission		NIL
	• Others, please specify		NIL
	Total (2)		37,80,000.00
	Total (B) = (1) + (2)		1,27,25,000.00
	Total Managerial Remuneration (A) + (B)		7,37,70,028.79
	Overall Ceiling as per the Act	Being a banking company regulated by the Reserve Bank of India, the remuneration paid to whole-time directors are subject to prior approval of RBI. However, the remuneration paid are well within the overall ceiling as per the Companies Act, 2013.	

C. Remuneration to other Directors / Key Managerial Personnel other than MD / MANAGER / WTD: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total
		Mr. N.Ramanathan Company Secretary	
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,084,262.52	2,084,262.52
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission		
	- as % of profit		
	- others, specify	–	–
5.	Others (Employers' Contribution to Provident Fund,Petrol & Office Expenses, Performance Bonus,Performance Allowance, Medical, other taxable, LFC)	1,580,102.57	1,580,102.57
	Total	3,664,365.09	3,664,365.09

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	No penalty was levied under the Companies Act by any Authorities as prescribed. However, the Bank had been levied the following penalties by Reserve Bank of India and Clearing Corporation of India Limited at separate instances, which are given below: • The Bank was imposed a penalty of ₹ 74,500.00 on Specified Bank Notes (SBN) currency remittances made to RBI by our Currency Chests for defective/counterfeit currency detected (₹ 1,000/-, ₹ 5,000/- & ₹ 68,500/- paid by our Vijayawada, Chennai and Salem currency chests respectively). • The Bank was imposed a penalty of ₹ 89,000.00 on Specified Bank Notes (SBN) currency remittances made to RBI by our Ahmedabad Branch and Janpath Branch, Delhi for defective/counterfeit currency detected (₹ 31,000/- & ₹ 58,000/- respectively). • The Bank was imposed a penalty of ₹ 13,830/- by Clearing Corporation of India Limited ("CCIL") towards two instances of intra-day shortfall in maintenance of margin requirement in Security Guarantee Fund (SGF) deals on 22.09.2017 and 27.09.2017. The margin requirements were immediately replenished on the same date, however CCIL has charged a penal amount on technical ground for the shortfall on 27.09.2017.			
Punishment	NIL				
Compounding					

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: (Contd.)

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

Annexure - G

Particulars pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Particulars	Disclosure
1.	The ratio of remuneration of each director to the median employees remuneration of the Company for the financial year (FY)[1]	MD&CEO / ED & CFO : MEDIAN 88.28 : 1
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive officer, Company Secretary in the FY	Mr. Parthasarathi Mukherjee MD & CEO: 703% Mr. Venkatesh N S Ex-ED & CFO: 167% Mr. N.Ramanathan, CS: 48%
3.	The percentage increase in the median remuneration of employees in the financial year	7.66%
4.	The number of permanent employees on the rolls of company	4623
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof.	The average percentage increase made in the salaries of total employees excluding Managerial Personnel for the FY 2016-17 is around 18% and the average percentage increased in the remuneration of the Managerial Personnel is around 306% (Average percentage increased in the remuneration of the Managerial Personnel due to MD & CEO and ED exercise of ESOPs.
6.	Affirmation that the remuneration is as per the remuneration policy of the Bank	The remuneration paid is as per the remuneration policy of the bank

Note:

[1] Sitting Fees paid to Non-Executive Directors (₹ 35,000/- per meeting as on 31.03.2018) has not been considered.

Top ten employees in terms of remuneration drawn

Name (Sarvashree)	Designation of Employee	Remuneration received (₹)	Nature of Employment whether contractual or otherwise	Qualifications and experience of employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the Bank	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	Details of the no of Employee Stock Options granted during the year
Mr Sridhar R V S	President & CRO	1,33,07,142.11	Regular	B.Com, MBA 33 years	11.07.2016	56	President - Internal Audit, Axis Bank	0.05% (1,33,333 shares)	No	Nil
Mr Meenakshi Sundaram R M	President & Head - Corporate Banking	71,13,987.75	Regular	B.E, CAIIB 35 years	29.09.2014	60	General Manager, Canara Bank	Nil	No	19,000
Mr Gurumurthy R.K	Sr. Vice President & Head-Treasury	62,70,713.00	Regular	M.COM, CAIIB 26 years	30.01.2014	58	Treasurer, Bank One Ltd., Mauritius	NIL	No	Nil
Mr Akkidas Jacob Vidya Sagar	Ex-President & Head - Retail Banking	58,16,887.00	Regular	M.Sc, CAIIB 34 years	01.07.2014	59	DGM, State Bank of India	0.00% (666)	No	Nil
Mr Peeush Jain	Sr. Vice President - TPP & Transformation	52,69,968.96	Regular	B.Sc 21 years	14.05.2014	43	Vice President & Sr. Private Banker - The Royal Bank of Scotland	Nil	No	Nil
Mr Manmadha Rao Boyina	Sr. Vice President & Head-Transaction Banking, Corporate Banking	51,40,616.33	Regular	M.Com 31 years	14.09.2016	56	Regional Corporate Head-Transaction Banking, Axis Bank	NIL	No	Nil
Mr Vasant Shukla	Sr. Vice President & Head-ALM & Interest Rates, Treasury	46,41,258.41	Regular	BE, PGDM 17 years	20.10.2016	42	Head-Global Markets, Singapore, Axis Bank	0.00% (2000)	No	Nil
Mr Palaniappan M	Ex-President & Advisor	45,24,918.69	Contractual	B.Com, CA 37 years	02.01.2017	63	DGM, Canara Bank, CFO - LVB	0.01% (16365)	No	Nil
Mr Nachiappan N	Sr. Vice President & Head-Commercial Banking Operations	42,28,825.32	Regular	B.Com, ICWA, CAIIB 36 years	19.01.2017	56	Head - Corporate Banking Branch, Bangalore & Chennai, Axis Bank	Nil	No	Nil
Mr Shankar A	Ex-Sr. Vice President - MSME & Rural Banking	42,12,827.04	Regular	B.Sc, CA 28 years	22.07.2013	56	Sr. Vice President, HDFC Bank	Nil	No	Nil

8. Employees who were employed throughout the financial year and was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees:

Name (Sarvashree)	Designation of Employee	Remuneration received (₹)	Nature of Employment whether contractual or otherwise	Qualifications and experience of employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the Bank	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any such employee is a relative of any director or manager of the company and if so name of such director or manager
Mr Sridhar R V S	President & CRO	1,33,07,142.11	Regular	B.Com, MBA 33 years	11.07.2016	56	President - Internal Audit, Axis Bank	0.05% (133333)	No

9. Employees who were employed part of the financial year and was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less eight lakh and fifty thousand rupees per month:

NIL

10. Details of every employee, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which,in the aggregate, is in excess of that drawn by the Managing Director or Whole Time Director (Executive Director) and holds by himself or along with his spouse and dependent children not lessthan two percent of the equity shares of the Company:

NIL

Annexure - H

Employee Stock Option Schemes (ESOSs)
Disclosure Pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulation, 2014

In Directors Report

There is no material changes made in the Schemes during the year and all the schemes are in compliance of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

ANNEXURE III

Pursuant to the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

A. Relevant Disclosures in terms of the 'Guidance Note on accounting for employee share-based payments' issued by ICAI has been made in Notes to Accounts attached to the Annual Report.

B. Diluted EPS on issue of shares pursuant to the Schemes.

Diluted earnings per share pursuant to the issue of share on exercise of options calculated in accordance with AS - 20, "Earnings Per Share"	Diluted earnings per share of the company calculated after considering the effect of potential equity shares arising on account of exercise of options is ₹ (-) 28.11

The details of stock options as on 31st March 2018 under the Employee Stock Option Scheme 2010 and Employee Stock Option Scheme 2017 ("ESOS 2010 & ESOS 2017"):

Scheme Specific Disclosures

i) General Disclosures:

Description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS:

Sl. No.	Particulars	ESOS 2010	ESOS 2017
1	General Information	The Employee Stock Option Scheme of the Bank known as LVB ESOS 2010 was formulated as per The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999. The scheme was approved by the shareholders to create, issue, grant / allot to the eligible present and future employees including Directors of the Bank which entitles the option holders to subscribe to 1 (one) equity share of the Bank of ₹ 10/- each and in aggregate 5,000,000 equity shares of the face value of ₹ 10/- at such price, in such manner, during such period and on such terms and conditions and in the manner as may be determined by the Board.	The Employee Stock Option Scheme of the Bank known as LVB ESOS 2017 was formulated as per The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The scheme was approved by the shareholders to create, issue, grant / allot to the eligible present and future employees including Directors of the Bank which entitles the option holders to subscribe to 1 (one) equity share of the Bank of ₹ 10/- each and in aggregate 5,000,000 equity shares of the face value of ₹ 10/- at such price, in such manner, during such period and on such terms and conditions and in the manner as may be determined by the Boardin accordance with the provisions of the applicable laws and the provisions of ESOS 2017.
2	Date of shareholder's approval	August 04, 2010	July 18, 2017
3	Total number of options approved under ESOS	5,000,000	5,000,000
4	Vesting requirements	Options granted under LVB ESOS 2010 would vest not less than one year and not more than three years from the date of grant of such options	Options granted under LVB ESOS 2017 would vest not less than one year and not more than three years from the date of grant of such options

Sl. No.	Particulars	ESOS 2010	ESOS 2017
5	Exercise price or pricing formula	The exercise price shall be the Market price of the equity shares discounted by such percentage not exceeding 50% as determined by the Nomination, Remuneration and Compensation Committee of the Board.	The exercise price shall be the Market price of the equity shares discounted by such percentage not exceeding 50% as determined by the Nomination, Remuneration and Compensation Committee of the Board.
6	Maximum term of options granted	5 years from the date of vesting	5 years from date of vesting
7	Source of shares (primary, secondary or combination)	Primary	Primary
8	Variation in terms of options	During the year, the Nomination, Remuneration and Compensation Committee of the Board has adjusted the exercise price of the grants offered without any increase in the no of options on account of post rights issue price adjustment.	No options granted during the year 2017-18
9	Method used for accounting of ESOS (Intrinsic or fair value)	Intrinsic Value method	Intrinsic Value method
10	Weighted average exercise price of the options whose: • exercise price equals market price • exercise price exceeds market price • exercise price is less than market price	Nil Nil Weighted average exercise price of the stock options granted during the year is ₹ 74.00	No options granted during the year 2017-18
11	Weighted average fair value of the options whose: • exercise price equals market price • exercise price exceeds market price • exercise price is less than market price	Nil Nil Weighted average fair value of the stock options granted during the year is ₹ 52.60	No options granted during the year 2017-18

ii) Option movement during 2017-18:

Particulars	ESOS 2010
Number of options outstanding at the beginning of the year	3,100,058
Number of options granted during the year	32,500
Number of options forfeited / surrendered during the year	353,127
Number of options lapsed during the year	–
Number of options exercised during the year	560,000
Number of options outstanding at the end of the year	**2,219,431**
Number of options vested during the year	908,117
Number of shares arising as a result of exercise of options	560,000
Money realized by exercise of options during the year (Rs. lacs)	358.00
Number of options exercisable at the end of the year	708,117
Loan repaid by the Trust during the year from exercise price	NA

iii) Option movement during 2016-17:

Particulars	ESOS 2010
Number of options outstanding at the beginning of the year	1,200,000
Number of options granted during the year	2,010,190
Number of options forfeited / surrendered during the year	110,132
Number of options lapsed during the year	–
Number of options exercised during the year	–
Number of options outstanding at the end of the year	**3,100,058**
Number of options vested during the year	–
Number of shares arising as a result of exercise of options	–
Money realized by exercise of options during the year (Rs. lacs)	–
Number of options exercisable at the end of the year	360,000
Loan repaid by the Trust during the year from exercise price	NA

iv) Employees details who were granted the options during the year:

Sr. No.	Particulars	Name of employee	Designation of employee	Number of options granted during the year	Exercise Price
1	Details of grants to senior managerial personnel	Mr Kumarappan R M	Senior Vice President & Head - Stressed Assets Recovery, Corporate Banking	13,500	₹ 74.00
		Mr Meenakshi Sundaram R M	President & Head - Corporate Banking	19,000	₹ 74.00
2	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	Mr Kumarappan R M	Senior Vice President & Head - Stressed Assets Recovery, Corporate Banking	13,500	₹ 74.00
		Mr Meenakshi Sundaram R M	President & Head - Corporate Banking	19,000	₹ 74.00
3	Identified employees who were granted options, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Bank under the grant	None	None	–	–

v) On applying the fair value based method in Guidance Note on 'Accounting for Employee Share- based Payments' the impact on reported net profit and EPS would be as follows:

	31 March, 2018
Net Profit (as reported) (₹)	**(5,848,661,413)**
Add: Stock based employee compensation expense included in net income (₹)	**37,984,582**
Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹)	**56,347,028**
Net Profit (Proforma) (₹)	**(5,867,023,859)**
Earnings per share: Basic (in ₹)	
As reported	**(28.29)**
Proforma	**(28.38)**
Earnings per share: Diluted (in ₹)	
As reported	**(28.11)**
Proforma	**(28.20)**

vi) Accounting method and assumptions:

The fair value of the options is estimated on the date of the grant using the Black-Scholes options pricing model, with the following assumptions:

	For the year 2017-18
Dividend yield	2.62%
Expected life	4.06
Risk free interest rate	7.37%
Volatility	33.08%
Weighted Average price of the underlying share in the market at the time of Option grant (₹)	114.65

Assumptions

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the Options based on the zero-coupon yield curve for Government Securities.

Time to Maturity: Bank has estimated the expected life of the Options on the basis ofaverage of minimum and maximum life ofthe Options. Historical data for early exerciseof Options is not available, hence not considered in expected life calculations.

Volatility: Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered.

Expected divided yield: The latest dividend declared is considered as the dividend expected to be paid during the vesting period.

Stock Price: Being the closing price on the stock exchange with the highest trading volumes on the last working day prior to the date of grant

No other feature has been considered for fair valuation of Options except as mentioned in point V above.

vii) Stock option activity under the Scheme for the year ended 31 March, 2018 is set out below:

Total for all grants	No. of Options	Weighted average exercise price (₹)	Weighted average remaining contractual life
Outstanding at the beginning of the year	3,100,058	76.61	
Granted during the year	32,500	74.00	
Forfeited during the year	353,127	74.34	
Exercised during the year	560,000	63.93	
Outstanding at the end of the year	2,219,431	57.76	5.47
Exercisable at the end of the year	708,117	53.19	4.67

The weighted average share price in respect of options exercised during the year 2017-18 was ₹168.66

2. Rationale and Assumptions

We have reviewed the information made available to us for overall consistency and have not carried out any detailed tests in the nature of audit to establish the accuracy of such information. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the Company.

Annexure - I

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members
Lakshmi Vilas Bank Limited
Karur

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Lakshmi Vilas Bank Limited** (hereinafter called the Bank). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Bank has during the audit period covering the financial year ended on 31st March 2018 complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on 31st March 2018 according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the rules made there under and the further amendments thereof;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:-
   a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
   b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   e) The Securities and Exchange Board of India(Share based Employee Benefits) Regulations, 2014;
   f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client, which does not apply to the bank;
   h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, which is not applicable as there was no delisting during the year; and
   i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, which is not applicable to the company as there was no buyback during the year;

vi. The following laws applicable to the banking companies:
   a) Bankers' Books Evidence Act 1891;
   b) Reserve Bank of India Act 1934;
   c) Banking Regulation Act 1949;
   d) Banking Companies Rules 1949;
   e) Reserve Bank of India (Amendment and Misc.Provisions) Act 1953;
   f) Banking companies (Period of preservation of Records) rules 1985;

g) Securitization and Reconstruction of Financial Assets and Enforcement of security Interest (SARFAESI) Act 2002;

h) Prevention of Money Laundering Act (PMLA) 2002;

i) Prevention of Money Laundering (Maintenance of Records, etc) Rules 2005;

j) Banking Ombudsman Scheme 2006;

I have also examined compliance with the applicable clauses of the Secretarial Standards 1, 2 & 3 issued by The Institute of Company Secretaries of India.

During the period under review the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that The Board of Directors of the Bank is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act / SEBI Regulations / RBI directives.

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Minutes of the meetings have recorded the discussions, observations, directions and resolutions of the Board / Board Committees.

I further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

Allotment of shares through Rights Issue:

During the audit period the Bank has raised ₹ 780.64 Crores through allotment of 6,39,87,006 equity shares of ₹ 10/- each to the eligible shareholders through Rights Issue to support the business expansion of the Bank and augment the Bank's Tier-I capital to meet the future capital requirements besides conforming to the provision of Section 12(1)(i) of the Banking Regulation Act and increasing the capital adequacy ratio in line with RBI norms. The issue and allotment of shares under Rights Issue are in compliance with the applicable Regulatory requirements.

Approval and Implementation of ESOS 2017:

During the audit period the shareholders of the Bank at the 90th Annual General Meeting held on 18th July 2017 had approved the implementation of LVB Employee Stock Option Scheme 2017 ("ESOS 2017") formulated as per the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 to create, issue, grant/allot to the eligible present and future employees including Directors of the Bank which entitles the option holders to subscribe to equity shares of the Bank and in aggregate 50,00,000 equity shares of the face value ₹ 10/- each at such price, in such manner, during such period and on such terms and conditions and in the manner as may be determined by the Board in accordance with the provisions of the applicable laws and the provisions of ESOS 2017.

Grant and Allotment of shares under ESOS 2010:

During the year under review, the Nomination, Remuneration and Compensation Committee of the Board had granted 32,500 options to the eligible employees of the Bank under LVB- ESOS 2010 Scheme. During the year total of 5,60,000 options were exercised by the employees out of the grants made under ESOS 2010 resulting in the allotment of 5,60,000 equity shares of face value ₹ 10/- each.

The grants and the allotment are in compliance with the Scheme of the Bank and applicable SEBI Regulations.

ALLOTMENT & REDEMPTION OF TIER 2 BONDS:

During the year under review, the Bank had issued and allotted 2000 numbers of BASEL III compliant Unsecured Redeemable Non-Convertible Sub-ordinated Bonds in the nature of Debentures with a coupon rate of 10.70% (Series-X) with a face value of ₹ 5.00 lacs each totaling to an amount of ₹ 100 Crores.

I further report that during the year under review the Bank had duly redeemed the Unsecured Redeemable Non-Convertible Sub-ordinated Bonds in the nature of Debentures (Series VII - Option A) amounting to Rs.199.50 crores, in line with the Information Memorandum.

The issue, allotment and redemption of the bonds as mentioned above are in compliance with the applicable Regulatory requirements.

K. MUTHUSAMY
Company Secretary in Practice
M No: F 5865; CP: 3176

Place : Chennai
Date : 14.06.2018

Annexure - J

DIVIDEND DISTRIBUTION POLICY

I. Introduction:

The Lakshmi Vilas Bank Limited ("LVB") is a listed private sector bank incorporated under the provisions of Companies Act and operating under the provisions of the Banking Regulation Act, 1949. As on 31st March, 2017, the equity shares of the Bank are listed and traded in the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

II. Purpose:

Being a Banking entity, the Bank is required to ensure compliance with the provisions of the Banking Regulation Act, 1949, guidelines and circulars issued by the Reserve Bank of India on declaration and payment of dividend. Besides the same, being a public limited company listed with NSE and BSE and having ranked within Top 500 of the listed entities in terms of Market Capitalization as on 31st March 2018, the Bank is also required to ensure compliance with the provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, to the extent applicable to Banking Companies in terms of a policy with regard to Dividend Distribution.

Accordingly, this policy is framed under Regulation 43 A of the SEBI Listing Regulations, approved and adopted by the Board of Directors of the Bank.

III. Policy:

The Policy will be called as `Lakshmi Vilas Bank Dividend Distribution Policy' and shall be effective from the Financial Year 2016-17.

IV. Criteria for recommending Dividend:

The intent of the Bank is to reward the shareholders of the Bank by sharing a portion of the profits, whilst also ensuring that sufficient funds are retained for growth of the Bank.

The Bank shall declare and pay dividend only in compliance with the provisions of the Banking Regulation Act, regulatory guidelines / directions issued by the Reserve bank of India on declaration and payment of dividend by Banks from time to time, the provisions of the Companies Act and SEBI Listing Regulations to the extent applicable to Banking Companies.

The term Dividend includes both Interim and Final Dividend.

a) Circumstances under which the shareholders may or may not expect dividend:

The recommendation of dividend by the Board is dependent on various factors including eligibility criteria imposed by the regulators for recommendation & declaration of dividend, capital and reserve position of the Bank and other key financial parameters. Based on the applicable regulatory framework and financial position, the Board of directors may or may not decide to recommend dividend.

b) Financial and other parameters:

The Board of directors would consider the following financial parameters along with the statutory restrictions and directions applicable to Banks before recommending dividend to shareholders:

- Profitability and Key Financial Metrics.
- Any interim dividends paid.
- Auditors' qualifications pertaining to the statement of accounts, if any;
- Bank's capital position and requirements as per Internal Capital Adequacy Assessment Process (ICAAP) projections and other regulatory norms.
- Any other parameters as may be imposed by the regulators from time to time.

c) Internal and External factors:

The Board of Directors of the Bank would take into account both internal and external factors as may be applicable at the time of considering the proposal on the declaration of the dividend. Some of the major aspects are as under:

- The state of the economy of the country;
- Statutory and regulatory provisions / restrictions;
- Tax regulations including the treatment of deferred tax assets;
- Capital market conditions;
- Expectation of shareholders;
- Business Growth plan of the bank;
- Future Capital requirement;
- Cost of Raising funds;
- Replacement of Capital Assets;
- Ability to make timely coupon payments/redemption towards debt instruments issued by the Bank;
- Such other factors and material events which the Board may consider as relevant.

d) Utilization of Retained Earnings:

The Bank may utilize its retained earnings in the manner beneficial to the interest of the Bank and its stakeholders. The Bank would utilise the retained earnings for general corporate purposes, including organic growth. The Board may decide to employ the retained earnings in ensuring maintenance of an optimal level of capital adequacy, meeting the Bank's future growth / expansion plans, other strategic purposes and / or distribution to shareholders, subject to applicable regulations.

e) Parameters that shall be adopted with regard to various classes of shares:

Since the Bank has only one class of shareholders and does not have any other class of shares (including shares with differential voting rights), the dividend declared will be distributed among the shareholders, based on their shareholding on the record date fixed for ascertaining the dividend entitlement.

V. Quantum of Dividend payable:

The Quantum of dividend payable would be subject to the Bank fulfilling the eligibility criteria set out by the relevant Acts and the Reserve Bank of India and the same shall be decided by the Board of Directors from time to time.

VI. Amendments and Review:

This policy will be reviewed annually by the Board of Directors of the Bank and this Policy will be in force till the time it is not amended or revoked by the Board.

VII. Disclosure:

The policy will be made available in the Bank's website - www.lvbank.com and will also be disclosed in the Annual Report as required under the SEBI Listing Regulations.

LAKSHMI VILAS BANK

TREASURY DEPARTMENT

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Maharashtra
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Phone: 022- 22883149, 22040746, 22883261
Fax No. : 022 - 22822812

Our Swift Code - LAVBINBB

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Karnataka
Email : Bangaloreroplanning@lvbank.in
Phone : 080 - 22631300 / 1320 / 2222889

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LVB Platinum Jubilee Building,
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Tamil Nadu
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Phone : 011 - 45753401, 45753416

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Andhra Pradesh
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Phone : 040 - 23759224

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Swarnapuri, Salem - 636 004
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Phone : 0427-2441316, 0427-2331416, 2330618

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Chennai - 600 006 Tamil Nadu
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Phone : 044-4006 4160/28292172

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Andheri-Kurla Road,
Chakala, Mumbai - 400 093
Maharashtra
Email : Mumroplanning@lvbank.in
Phone : 022-28270236, 28270237, 28270238

MADURAI
D.No.49A,
BharathiUla Road,
Race Course, Thallakulam,
Madurai - 625 002.
Email : mduro_planning@lvbank.in
Phone : 0452 - 2545905, 924

KARUR
2nd Floor,
Registered office building,
Salem main Road, Kathaparai,
Karur - 639 006
Email : krrro_planning@lvbank.in
Phone : 04324-222046, 222048,222055

VIJAYAWADA
D No: 31-23-1A, Besides B S NL Bhavan,
ChuttuGunta, Eluru Road,
Vijayawada - 520 004.
Krishna Dist.
Email : Vijayawadaro_planning@lvbank.in
Phone : 0866-2440020

PUDUCHERRY
No: 378 Mahatma Gandhi Road,
Canel Street Corner,
Puducherry - 605 001
Email : Puducherryro_planning@lvbank.in
Phone : 0413-2226431, 432,433

LAKSHMI VILAS BANK

BRANCH OFFICES

ANDHRA PRADESH

1 Adoni
2 Amalapuram
3 Anakapalle
4 Ananthapur
5 Ananthavarappadu
6 Angalakuduru
7 Annamayya Circle (Tirupathi)
8 Bhavanipuram
9 Bhimavaram
10 C.Kothapeta
11 Chittoor
12 Cuddapah
13 Doddavaram
14 Dommaranandyala
15 Dondapadu
16 Eluru
17 Gajuwaka- Hyderabad
18 Gopalpatnam (Vizag)
19 Governorpet (Vijayawada)
20 Guntur
21 Kadiam
22 Kakinada
23 Kapavaram
24 Kovvur
25 Krishnapatnam
26 Kurnool
27 Lakshmipuram - Guntur
28 Lam
29 Mangalagiri
30 Marichetlapalem
31 Markapur
32 MVP Colony (Vishakapatnam)
33 Nandigama
34 Nandiyal
35 Narasaraopet
36 Nellore
37 Ongole
38 Palasa - Kassibugga
39 Pedapulipaka
40 Piduguralla
41 Ponnur
42 Prodattur
43 Rajamundri
44 Sivakodu
45 Srikakulam
46 Sulthanagaram
47 Tadepalli
48 Tadepalligudam
49 Tanuku
50 Tenali
51 Thimmapuram
52 Thurputallu
53 Tirupathi
54 Vijayawada
55 Ring Road - Vijayawada
56 Vinukonda
57 Vishakapatnam
58 Vizianagaram
59 Addanki - Vijayawada
60 Narasipatnam - Vijayawada
61 Jaggaiahpet - Vijayawada
62 Machilipattinam - Vijayawada
63 Ravulapalem - Vijayawada
64 Sattenapalle - Vijayawada
65 Peddapuram - Vijayawada

CHATTISGARH

66 Dhamtari
67 Durg
68 Mahasamund
69 Raipur

GUJARAT

70 Ahmedabad
71 Anand
72 Bharuch
73 Gandhidham
74 Gandhinagar
75 Jamnagar
76 Navasari
77 Rajkot
78 Surat I
79 Surat II
80 Vadodara
81 Vapi
82 Sanand (Mumbai)

HARYANA

83 Faridabad
84 Gurgaon
85 Karnal
86 Panipat

JHARKHAND

87 Jamshedpur
88 Ranchi

KARNATAKA

89 Ballari
90 Banashankari (Bengaluru)
91 Bangarpet
92 Bannerghatta Road – (Bengaluru)
93 Basavanagudi (Bengaluru)
94 Basaveshwaranagar (Bengaluru)
95 Belagavi
96 Bengalauru-main
97 Bellandur (Bengaluru)
98 Bommanahalli (Bengaluru)
99 BTM Layout (Bengaluru)
100 Byadgi (Bengaluru)
101 Cantonment (Bengaluru)
102 Channarayapatna
103 Chikballapur
104 Chitradurga
105 City market (Bengaluru)
106 Davangere
107 Devanahalli (Bengaluru)
108 Dharwad
109 Gadag
110 Halasuru (Bengaluru)
111 Hassan
112 HBR – Layout – (Bengaluru)
113 Honnasandra
114 Hosapete
115 HSR Layout (Bengaluru)
116 Hubballi
117 Jalahalli (Bengaluru)
118 Jayanagar (Bengaluru)
119 Kalaburagi
120 Kanakapura Main Road (Bengaluru)
121 Kengeri (Bengaluru)
122 Kollegal
123 Koramangala (Bengaluru)
124 Malleshwaram (Bengaluru)
125 Mandya
126 Mangaluru
127 Mudbidri
128 Mysuru
129 Puttur
130 Raichur
131 Rajarajeshwari nagar (Bengaluru)
132 Ranebennur
133 RT Nagar (Bengaluru)
134 Shivamogga
135 Sirsi
136 Thippasandra (Bengaluru)
137 Tumakuru
138 Ulaibettu
139 Vijayanagar (Mysuru)
140 Vishveswarapura (Bengaluru)
141 Yadgir
142 Yelahanka (Bengaluru)
143 Langford Town (Personal Banking Branch- Bengaluru)
144 Commercial Banking Branch - Bengaluru
145 Bagalkot - Bengaluru
146 Karwar - Bengaluru
147 Vijayapura - Bengaluru
148 Udupi - Bengaluru

KERALA

149 Alappuzha
150 Calicut
151 Chalakudy
152 Ernakulam (Cochin)
153 Guruvayoor
154 Kollam
155 Kottayam
156 Malapuram
157 Palakkad
158 Perumbavoor
159 Thiruvananthapuram
160 Thrissur
161 Vavvakavu

MADHYA PRADESH

162 Ashta
163 Bhopal
164 Indore
165 Jabalpur

MAHARASHTRA

166 Andheri (Mumbai)
167 Boisar
168 Borivili (Mumbai)
169 Chembur (Mumbai)
170 Fort (Mumbai)
171 Ghatkopar (Mumbai)
172 Kalyan (Mumbai)
173 Kandivali east (Mumbai)
174 Khar
175 Kharghar (Mumbai)
176 Kolhapur

177 Malad(west) (Mumbai)
178 Matunga (Mumbai)
179 Mulund West (Mumbai)
180 Nagpur
181 Nasik
182 Panvel (Mumbai)
183 Pune
184 Thane (Mumbai)
185 Vasai (Mumbai)
186 Vashi (Mumbai)
187 Commercial Banking Branch - Mumbai
188 Dombivali - East (Mumbai)

NEW DELHI

189 Jamukoli
190 Ashok vihar (New Delhi)
191 Janpath (New Delhi)
192 Kalkaji (New Delhi)
193 Karolbagh (New Delhi)
194 Krishnanagar (New Delhi)
195 Mahavir Nagar (New Delhi)
196 Rohini (New Delhi)
197 Shalimar Bagh (New Delhi)
198 Commercial Banking Branch - New Delhi
199 Chandigarh (New Delhi)
200 Ludhiana

ODISHA

201 Bhubaneshwar
202 Cuttack
203 Majhihara
204 Jharsuguda (Delhi)

PUDUCHERRY

205 Ambagarathur
206 Karaikal
207 Lawspet (Puducherry)
208 Puducherry
209 Reddiyarpalyam (Puducherry)

RAJASTHAN

210 Bhilwara
211 Jaipur

TAMILNADU

212 Adambakkam (Chennai)
213 Adayar (chennai)
214 Alathur
215 Ambasamudram
216 Ambattur (Chennai)
217 Ambilikai
218 Ambur
219 Ammapet (Salem)
220 Anbil
221 Anna Nagar (Chennai)
222 Anna Nagar (Madurai)
223 Annur
224 Arakandanallur
225 Arantangi
226 Arasappapillaipatti
227 Ariyalur
228 Arni
229 Aruppukkottai
230 Attur
231 Avalpoondurai
232 Ayothiapattinam (Salem)
233 Balasamudram
234 Bargur
235 Batlagundu
236 Bhuvanagiri
237 Bibikulam (Madurai)
238 Bodinayakanur
239 Bye Pass Road, Madurai
240 C. Pudupatti
241 C.K.Street (Salem)
242 Cantonment (Trichy)
243 Cathedral Road (Chennai)
244 Chengalpattu
245 Chennai-Main
246 Chidambaram
247 Chinna Salem
248 Chinnadharapuram
249 Chinthalavadi
250 Chittode
251 Chrompet (Chennai)
252 Coimbatore - MAIN
253 Commercial Banking Branch (Chennai)
254 Cuddalore
255 Cumbum
256 Dharapuram
257 Dharmapuri
258 Dindigul
259 Eachanari(Coimbatore)
260 Erode
261 G.N.Street (Chennai)
262 Ganapathy (Coimbatore)
263 Gandhigramam (Karur)
264 Gandhimanagar (Coimbatore)
265 Gandhipuram (Coimbatore)
266 Gingee
267 Gobichettipalayam
268 Gopalapatti
269 Guduvancheri (Chennai)
270 Gugai (Salem)
271 Hosur
272 Idayakottai
273 Iyyampalayam
274 J.Veeranam
275 Jalakandapuram
276 Jegadabi
277 K K Nagar (Chennai)
278 K.Vadamadurai (Coimbatore)
279 Kachirapalayam
280 Kadalangudi
281 Kadambuliyur
282 Kalangani
283 Kallakurichi
284 Kallalangudy
285 Kambarasampettai
286 Kancheepuram
287 Kandili
288 Kangayam
289 Kanjampatti
290 Kanmai Soorangudi
291 Karaikudi
292 Karanodai
293 Karur Main (Karur)
294 Karur West (Karur)
295 Kathaparai (Karur)
296 Kattugudalur
297 Kattuputhur
298 Kavaraipettai (Chennai)
299 Kaveripattinam
300 KK Pudur (Coimbatore)
301 Kodambakkam (Chennai)
302 Kolappakam (Chennai)
303 Kolathur (Chennai)
304 Kombai
305 Kondalampatti (Salem)
306 Kondamanaickenpatty
307 Kondikulam
308 Kottivakkam (Chennai)
309 Koundampalayam (Coimbatore)
310 Kovaipudur (Coimbatore)
311 Kovilpatti
312 Krishnagiri
313 Kulithalai
314 Kumbakonam
315 Kuniyur
316 Kurumbapatti
317 La Gudalur
318 Lakkapuram
319 Lalgudi
320 M.N.Palayam
321 M.Puthur
322 Madipakkam (Chennai)
323 Madukkur North
324 Madurai Main
325 Mahadhanapuram
326 Manamedu
327 Manapparai
328 Mangarai
329 Mannargudi
330 Marakkottai
331 Marandahalli
332 Markkampatti
333 Mathur (Erode)
334 Mathur (Krishnagiri)
335 Mayiladuthurai
336 Mecheri
337 Melur
338 Mettupalayam
339 Mettur Dam
340 Michealpatti
341 Mogappair (Chennai)
342 Mohanur
343 Moolangudi
344 Moolapalayam(Erode)
345 Moulivakkam(Chennai)
346 Mount Road (Chennai)
347 Mudhugampatti
348 Muthugapatti
349 Muthupet
350 Muthur
351 Mylambadi
352 Mylapore (Chennai)
353 Nagapattinam
354 Nagercoil
355 NaickerNew Street (Madurai)
356 Namakkal
357 Nathakadaiyur
358 Nathamedu
359 Nedumpuli
360 Nerinjipettai
361 Neyveli
362 Nidur
363 Nungambakkam (Chennai)

364 Oddanchathram
365 Olapalayam
366 Ondipudur (Coimbatore)
367 Othakadai(Madurai)
368 P.Ayeepalayam
369 Palacode
370 Palani
371 Palayamkottai
372 Pallipalayam
373 Panruti
374 Papanad
375 Papanasam
376 Pattukottai
377 Pennagaram
378 Perambalur
379 Perambur(Chennai)
380 Peravurani
381 Periyakulam
382 Perungalathur(Chennai)
383 Podakudy
384 Pollachi
385 Pudukkottai
386 Pugalur
387 Puliyakulam(Coimbatore)
388 Punavasal East
389 Purasawalkam (Chennai)
390 R S Puram(Coimbatore)
391 R.Pudupatti
392 Rajapalayam
393 Rajendram
394 Ramanathapuram
395 Ramanathapuram (Coimbatore)
396 Ramapuram(Chennai)
397 Rasipuram
398 Rayakotta
399 Royapuram (Chennai)
400 Saidapet(Chennai)
401 Salem Town
402 Sambankulam
403 Sankarapuram
404 Sankari
405 Sathyamangalam
406 Sattur
407 Seevalaperi (Satellite branch)
408 Selaiyur (Chennai)
409 Sentharapatti
410 Shevapet (Salem)
411 Siddhapudur (Coimbatore)
412 Sikkal
413 Sindalapatti
414 Sirumayangudi
415 Sivakasi
416 South Masi Street(Madurai)
417 Sriperumbudur(Chennai)
418 Srirangam (Trichy)
419 Srivilliputhur
420 Sundarapandiam
421 Suramangalam (Salem)
422 Swarnapuri (Salem)
423 T. Nagar (Chennai)
424 Tanjore
425 Tenkasi
426 Thallakulam (Madurai)
427 Thayanur
428 Theni
429 Thillai Nagar (Trichy)
430 Thimmanandal
431 Thindal
432 Thirukattupalli
433 Thirumangalam
434 Thiruvaiyaru
435 Thiruvallur(Chennai)
436 Thiruvarur
437 Thiruvidaikazhi
438 Thittagudi
439 Thokkavadi
440 Thorapakkam (Chennai)
441 Thottiyam
442 Tindivanam
443 Tirpur
444 Tiruchengode
445 Tirukadaiyur
446 Tirukoilur
447 Tirunelveli Town
448 Tiruthuraipoondi
449 Tiruvannamalai
450 Trichy (Main)
451 Triplicane (Chennai)
452 Turaiyur
453 Tuticorin
454 Udayamarthandapuram
455 Udumalpet
456 Ulipuram
457 Unjalur
458 Upilipalayam (Coimbatore)
459 Uranganpatti
460 Uttamarkoil(Trichy)
461 Vadavalli(Coimbatore)
462 Vadugapalayam
463 Valasarawalkam (Chennai)
464 Velacherry (Chennai)
465 Vellakoil
466 Velliyani
467 Vellore (NA)
468 Velur (Namakkal)
469 Vengaivasal(Chennai)
470 Vengamedu (Karur)
471 Venjuvancheri(Chennai)
472 Venkatakrishnapuram
473 Vettavalam
474 Vichoor (Chennai)
475 Vilangudi
476 Villapuram (Madurai)
477 Villivakkam (Chennai)
478 Villupuram
479 Virudhunagar
480 Vridhachalam
481 West Mambalam (Chennai)
482 West Tambaram (Chennai)
483 Yethapur
484 Abhiramapuram(Personal Banking Branch- Chennai)
485 Commercial Banking Branch - Coimbatore
486 Commercial Banking Branch - Karur
487 Avadi (Chennai)
488 Peelamedu (Coimbatore)
489 Arakonam (Chennai)
490 Arcot (chennai)
491 Denkanikottai (Salem)
492 Hastampatti (Salem)
493 Tiruvottriyur (Chennai)
494 Surandai (Madurai)
495 Kangayam Road -TUP (Coimbatore)
496 Nagankulam (Madurai)

TELANGANA

497 A.S Rao Nagar (Hyderabad)
498 Adilabad
499 Alwal - Secundrabad
500 Ameerpet (Hyderabad)
501 Asifabad
502 Atevelle
503 Banjara Hills (Hyderabad)
504 Boduppal
505 Bhupalpalle (Hyderabad)
506 Habsiguda (Hyderabad)
507 Hanumakonda
508 Hyderabad Main
509 Jadcherla
510 Jagtial
511 Jangaon
512 Karim Nagar
513 Karmanghat (Hyderabad)
514 Khammam
515 Kompally
516 Kothapeta (Hyderabad)
517 Kukatpally (Hyderabad)
518 Madhapur (Hyderabad)
519 Malkajgiri (Hyderabad)
520 Malipuram (Hyderabad)
521 Mallemadugu
522 Mancherial
523 Mehabubnagar
524 Mehdipatnam (Hyderabad)
525 Miryalguda
526 Nalgonda
527 Navandgi
528 Nizamabad
529 Peruvancha
530 Ponnal
531 Punjagutta(Hyderabad)
532 Ramachandrapuram (Hyderabad)
533 Secundrabad (Hyderabad)
534 Suryapet
535 Vanasthalipuram
536 Warangal
537 West Maredpally (Hyderabad)
538 Commercial Banking Branch - Hyderabad
539 Jammikunta (Hyderabad)
540 Luxxetipet (Hyderabad)
541 New Gaddianaram (Hyderabad)
542 PG Road (Hyderabad)

UTTAR PRADESH

543 Ghaziabad
544 Noida

WEST BENGAL

545 Garia
546 Kolkata - New Alipur
547 Kolkata
548 Salt Lake-Kolkata

A DECADE OF PROGRESS

(Amount given in Lacs)

Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Paid-up Capital	4877.62	9750.87	9752.58	9752.58	9754.07	9756.07	17916.67	17946.16	19144.67	**25599.38**
Reserve & Surplus	40493.97	64148.86	79490.91	86083.93	91680.38	95603.85	137697.60	158413.25	194489.50	**207167.45**
Deposits	736090.00	907537.77	1114951.07	1411414.00	1561897.79	1857288.21	2196421.22	2543096.15	3055335.35	**3330948.29**
Advances	524583.00	627749.52	809442.28	1018867.97	1170279.56	1288918.96	1635201.90	1964373.90	2372891.14	**2576820.17**
Investments	186306.00	298322.23	351885.03	439511.80	432454.68	568867.76	605115.62	654540.46	865173.03	**1076774.83**
Net Profit	5030.00	3066.80	10113.68	10702.22	9157.45	5965.55	13228.59	18023.58	25607.21	**-58486.61**
Number of Branches	251	271	274	290	291	361	400	460	481	**548**
Staff Position	2433	2655	2626	3054	3149	3292	3459	3565	4043	**4623**
Earning Per Share (₹)	10.31	4.95	10.37	10.97	9.39	6.11	9.16	10.05	14.07	**-28.29**
Book Value (₹)	93.02	75.79	83.23	90.14	92.88	100.16	82.48	88.70	102.74	**84.39**
Market Price	63.50	79.21	98.00	85.05	81.35	71.15	101.60	81.15	166.40	**98.50**
Dividend Per Share (₹)	2.50	0.60	2.50	3.50	3.00	1.00	2.00	3.00	2.70	**Nil**

Notes

*Terms and Conditions apply

EARN INTEREST WITH LAKSHMI DYNAMIC CURRENT ACCOUNT



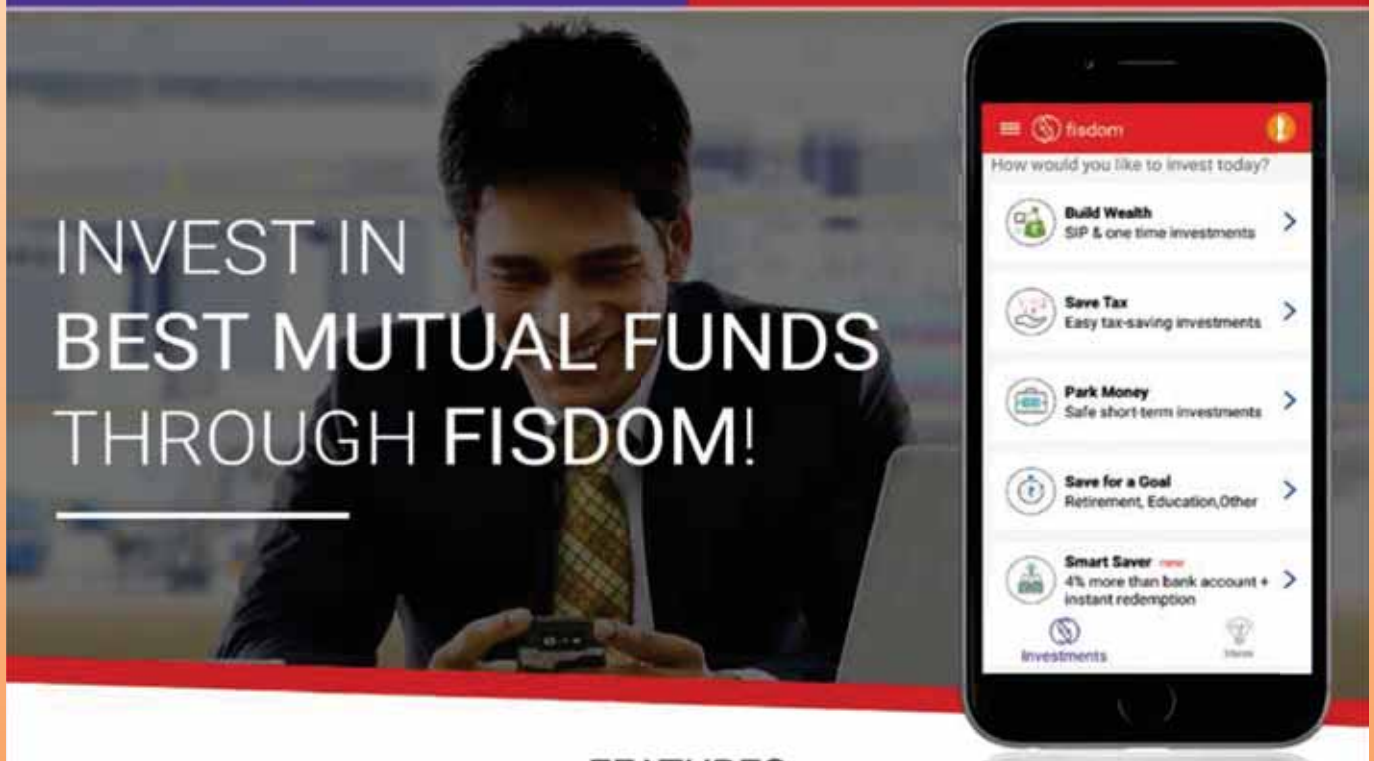
- ✓ **Earn interest of up to 6.25%* on balances**
- ✓ **Hassle free business transactions through our branch network**
- ✓ **Secured digital platform for business transactions and Wealth Management**
- ✓ **Free Rupay Platinum International Debit Card**
- ✓ **Free access to Airport Lounges***

(Product Only for proprietorship companies/individuals)

LAKSHMI VILAS BANK

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LAKSHMI VILAS BANK

Registered Office:
Salem Main Road, Kathaparai, Karur - 639 006, Tamilnadu.
Website: www.lvbank.com ; Toll Free No. 1800 - 425 - 2233

THE LAKSHMI VILAS BANK LIMITED

CIN L65110TN1926PLC001377

Registered Office: Salem Road, Kathaparai, Karur - 639 006.
Corporate Office: "LVB House", No.4, Sardar Patel Road, Guindy, Chennai - 600 032.
Website: www.lvbank.com, Tel No.: 044-22205306, Email: secretarial@lvbank.in

NOTICE TO THE MEMBERS

Notice is hereby given that the 91st Annual General Meeting of the Members of The Lakshmi Vilas Bank ("Bank") Limited will be held at the Registered Office of the Bank, Salem Road, Kathaparai, Karur - 639 006 on Wednesday, 08th August, 2018 at 10.00 a.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the bank for the year-ended 31st March, 2018 and the Report of the Directors' and the Auditors' thereon.

2. To appoint a Director in the place of **Smt. Anuradha Pradeep, (DIN 00291763)** who retires by rotation and being eligible, offers herself for re-appointment.

3. To appoint auditors and if thought fit to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**.

   "**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the applicable provisions of Banking Regulation Act, 1949, including statutory modification(s) or re-enactment thereof for the time being in force and the rules, circulars, guidelines issued by the Reserve Bank of India as applicable, M/s. P. Chandrasekar LLP, Chartered Accountants, Firm Registration No.000580S/S200066 be and are hereby appointed as Statutory Auditors of the Bank to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting, subject to the approval of the Reserve Bank of India on such remuneration and reimbursement of out-of-pocket expenses, if any, as may be fixed by the Board of Directors on the recommendation of the Audit Committee of the Board."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

   "**RESOLVED THAT** the Board of Directors of the Bank be and is hereby authorized to appoint, in consultation with Statutory Auditors, the Branch Auditors who are qualified to act as Auditors, including Statutory Auditors pursuant to the provisions of Section 143(8) and other applicable provisions of the Companies Act, 2013 for the purpose of audit of the Branches of the Bank and to decide the Branch Offices to be audited by such Branch Auditors and to fix their remuneration and reimbursement of out of pocket expenses incurred, if any in connection with the Audit, based on the recommendation of the Audit Committee of the Board."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

   "**RESOLVED THAT** pursuant to the provisions of Sections 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended and applicable provisions of the Banking Regulation Act, 1949, as amended, **Shri. G Sudhakara Gupta, DIN 00005150**, who was appointed as an Additional Director pursuant to Section 161 and other applicable provisions, if any of the Companies Act, 2013, be and is hereby appointed as a Director of the Bank, liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended and provisions of the Banking Regulation Act, 1949, as amended and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Shri. H S Upendra Kamath, DIN 02648119**, who was appointed as an Additional Director pursuant to Section 161 and other applicable provisions, if any of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Bank, for a period of two (2) years from the date of this meeting, not liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

"**RESOLVED THAT** pursuant to the relevant provisions of the Memorandum and Articles of Association of the Bank, the provisions of Sections 23, 41, 42 and 62 read with the rules and regulations made thereunder and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force) (the "Companies Act"), the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (including any amendment, modification, variation or re-enactment thereof) (the "ICDR Regulations"), the applicable listing agreements entered into by the Bank with the stock exchange(s) where the equity shares of the Bank of face value of Rs. 10 each (the "Equity Shares") are listed or are currently proposed to be listed, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment, modification, variation or re-enactment thereof) (the "Listing Regulations"), to the extent applicable, the provisions of the Foreign Exchange Management Act, 1999 (including any amendments, statutory modification(s) and/ or re-enactment thereof) and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 (including any amendments, statutory modification(s) and/ or re-enactment thereof), the Banking Regulation Act, 1949 (including any amendments, statutory modification(s) and/or re-enactment thereof), the Depository Receipts Scheme, 2014 (including any amendments, statutory modification(s) and/or re-enactment thereof) (the "DR Scheme") and all other applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable, as amended from time to time, issued by the Government of India, Ministry of Corporate Affairs, the Reserve Bank of India, BSE Limited and National Stock Exchange of India Limited (the "Stock Exchanges"), the Securities and Exchange Board of India, and/ or any other regulatory/ statutory authorities, in India or abroad, from time to time, to the extent applicable and subject to the consents and approvals of any regulatory/ statutory authorities and guidelines and clarifications issued thereon from time to time and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as the "Board" which term shall be deemed to include any committee(s) constituted/ to be constituted by the Board to exercise its powers including powers conferred by this resolution), the Bank be and is hereby authorised to offer, issue and allot (including with provisions for reservations on firm and / or competitive basis, for such part of issue and for such categories of persons as may be permitted) of such number of Equity Shares, Global Depository Receipts ("GDRs"), American depository receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), fully convertible debentures/partly convertible debentures, preference shares convertible into Equity Shares, and/ or any other security or financial instruments convertible into Equity Shares or securities linked to Equity Shares or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (hereinafter referred to as "Securities"), or any combination thereof, in one or more tranches, in the course of Indian and / or international offering(s) in one or more foreign markets, for cash, at such price or prices, at market price(s) or at a discount, as may be permissible under applicable law or premium to market price(s) in terms of the applicable regulations and as permitted under the applicable laws, in such manner in consultation with the merchant banker(s) and/ or other advisor(s) or otherwise, for an aggregate issuance of or conversion into up to 150,000,000 Equity Shares of Rs.10/- each by way of a Qualified Institutional Placement in accordance with the provisions of Chapter VIII of the ICDR Regulations ("QIP"), or issue of GDRs or issue of ADRs or issue of FCCB, or any combination thereof, to such investors that may be permitted to invest in such issuance of Securities, including eligible Qualified Institutional Buyers ("QIBs") as defined in the ICDR Regulations, or otherwise, foreign or resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, Indian and/ or multilateral financial institutions, mutual funds, insurance companies, non-resident Indians, stabilizing agents, pension funds or any other categories of investors, whether or not such investors are members of the Bank, to all or any of them, jointly or severally through an offer/ placement document and/or other letter or circular as may be deemed appropriate, in the sole discretion by the Board in such manner and on terms and conditions, including the terms of the issuance, security, fixing of record date, and at a price not less than the price calculated as per the applicable pricing formulae and as may be permitted by the relevant regulatory/ statutory authority, together with any amendments and modifications thereto."

"**RESOLVED FURTHER THAT** the issue of Securities shall be subject to the following terms and conditions: (i) The Equity Shares that may be issued and allotted directly or on conversion of other convertible or exchangeable Securities that may be issued as aforesaid shall be subject to the provisions of the Memorandum and Articles of Association of the Bank and rank pari-passu with the then existing Equity Shares in all respects including dividend; and (ii) The number and/or conversion price in relation to Equity Shares that may be issued and allotted on conversion of other convertible Securities that may be issued as aforesaid shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split and consolidation of share capital, merger, de-merger, transfer of undertaking, sale of division or any such capital or corporate restructuring."

"**RESOLVED FURTHER THAT** the relevant date for the purpose of pricing the Securities shall, subject to applicable law, be determined by the Board as being the meeting in which the Board decides to open the issue of such Securities, subsequent to the receipt of shareholders' approval in terms of the Companies Act, the ICDR Regulations, the DR Scheme and other applicable

laws, regulations and guidelines. In the event of securities being issued by way of a QIP (including Convertible Securities), the relevant date for the purpose of pricing of such securities shall be the date of the meeting in which the Board decides to open the QIP or as permitted under applicable law."

"**RESOLVED FURTHER THAT** in the event the proposed issuance of securities ("Issue") is undertaken by way of a QIP the allotment of securities (or any combination of the securities as decided by the Board) shall only be to eligible QIBs, such securities shall be fully paid-up and the allotment of such securities shall be completed within 12 months from the date of passing of this resolution approving the QIP or such other time as may be allowed under the ICDR Regulations from time to time."

"**RESOLVED FURTHER THAT** in the event the Issue is undertaken by way of a QIP, the securities shall be offered, issued and allotted under Chapter VIII of ICDR Regulations to QIBs at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations and the price determined for a QIP shall be subject to appropriate adjustments as per the provisions of Regulation 85(4) of the ICDR Regulations, if required. Furthermore, the Board may, at its absolute discretion, issue securities at or above the floor price or at discount, if any, not exceeding permissible limit specified under applicable ICDR Regulations, calculated in accordance with the pricing formula provided under the ICDR Regulations."

"**RESOLVED FURTHER THAT** in the event the Issue is undertaken by way of a QIP, the securities shall not be eligible to be sold for a period of twelve months from the date of allotment, except on the Stock Exchanges, or except as may be permitted from time to time under the ICDR Regulations. The total amount raised in such manner through the QIP, together with other QIP(s) made in the same financial year, if any, should not, exceed five times the net worth of the Bank as per the audited balance sheet of the previous financial year."

"**RESOLVED FURTHER THAT** in case of any offering of securities, including without limitation any GDRs/ ADRs/ FCCBs / other securities convertible into Equity Shares, the Board is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such securities referred to above in accordance with the terms of issue/offering in respect of such securities and/or as may be provided in the offer document and/or offer letter and/or offering circular and/or listing particulars."

"**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the securities may have such features and attributes or any terms or combination of terms in accordance with domestic and international practices to provide for the tradability and free transferability thereof as per applicable law including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares or variation of the conversion price of the securities during the duration of the securities and the Board be and is hereby authorised in its absolute discretion, in such manner as it may deem fit, to dispose of such of the securities that are not subscribed in accordance with applicable law."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, actions and sign such documents as may be required in furtherance of, or in relation to, or ancillary to, the offering, issue and allotment of securities, including authorizing any Director(s) or Officer(s) of the Bank to sign offer documents, execute any necessary documents, agreements, forms, deeds, appoint intermediaries, open and close the period of subscription, determine the terms and conditions of the issuance of securities, including the timing, floor price (including any discount thereto, as may be permitted under applicable law) and the issue price in respect of the securities, file any necessary forms with regulatory authorities and allot the Securities and to amend, vary or modify any of the above as the Committee or such authorised persons may consider necessary, desirable or expedient, and enter into and execute all such arrangements/agreements as the case may be with any lead managers, managers, underwriters, advisors, lawyers, guarantors, depositories, custodians and all such agencies as may be involved or concerned in such offerings of the Securities and to remunerate all such agencies including payment of commissions, brokerage, fees or the like, and also to seek the listing of such securities in one or more stock exchanges in India and/or overseas as the case may be."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any Whole-Time Director(s) of the Bank in such manner as they may deem fit in their absolute discretion with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purposes of the Issue and settle any questions or difficulties that may arise in this regard to the Issue without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members of the Bank shall be deemed to have given their approval thereto expressly by the authority of this resolution."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments, statutory modification(s) and / or re-enactment thereof for the time being in force) (the "Companies Act"), and the rules made there under including Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any amendments, statutory modification(s) and / or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force), the applicable provisions of the Banking Regulation Act, 1949 (including any amendments, statutory modification(s) and / or re-enactment thereof for the time being in force), and the rules, circulars and guidelines issued by the Reserve Bank of India ("RBI") from time to time (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and all other relevant provisions of applicable law(s), the provisions of the Memorandum and Articles of Association of the Bank and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory authority(ies) including RBI, the approval of the members of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter referred to as "Board" and which term shall be deemed to include any Committee of the Board or any other persons to whom powers are delegated by the Board as permitted under the Companies Act, 2013) for borrowing/raising of funds in Indian/foreign currency by issue of debt securities including but not limited to refinance from term lending institutions and non-convertible debentures, bonds (including bonds forming part of Tier I Capital/ Tier II Capital in accordance with and subject to the terms and conditions specified in the Basel III Capital Regulations prescribed by RBI, long terms infrastructure bonds or such other bonds as may be permitted by RBI from time to time), or a combination thereof, in domestic and/or overseas market, on a private placement basis and/ or for making offers and/ or invitations thereof and/ or issue(s)/ issuances therefor, on private placement basis, for a period of one year from the date hereof, in one or more tranches and /or series and under one or more shelf disclosure documents and/or one or more letters of offer and on such terms and conditions for each series / tranches including the price, coupon, premium, discount, tenor etc. as deemed fit by the Board, as per the structure and within the limits permitted by RBI, of an amount not exceeding ₹ 2,500 million (Rupees two thousand five hundred million), in aggregate for additional Tier I and Tier II capital within the overall borrowing limits of the Bank, as approved by the members of the Bank from time to time."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to negotiate, modify and finalize the terms and conditions of the debt securities and sign the relevant documents/agreements in connection with the private placement of the debt securities, including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, debenture subscription agreement, debenture trust deed and any other documents as may be required, and do all such acts, deeds, actions and sign such documents as may be required in furtherance of, or in relation to, or ancillary to, the offering(s), issuance(s) and/or allotment(s) on private placement of debt securities by the Bank and to further delegate the above powers to any committee of directors or any Whole-Time Director of the Bank in such manner as they may deem it in their absolute discretion with the power to take such steps and to do all such acts, deeds, matters and things as they may deem it and proper for the purposes of giving effect to this resolution and settle any questions or difficulties that may arise in this regard without being required to seek any further consent or approval of the members of the Bank or otherwise to the end and intent that the members of the Bank shall be deemed to have given their approval thereto expressly by the authority of this resolution".

BY ORDER OF THE BOARD
For THE LAKSHMI VILAS BANK LIMITED

Place : Chennai
Date : 26.06.2018

N. RAMANATHAN
Company Secretary
ACS No. 28366

Notes:

1. An Explanatory Statement as required under Section 102 of the Companies Act, 2013, pertaining to the special business contained in Item No.4 to 8 above is annexed herewith.

2. The Additional information pursuant to Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director seeking re-election vide Item No.2 are detailed elsewhere in the Notice. The additional information for Item No. 5 and 6 is provided as a part of the explanatory statement. The Directors have furnished the requisite declaration for appointment.

3. All relevant documents referred to in the Notice are open for inspection at the Registered Office of the Bank on all working days between 11.00 a.m. to 01.00 p.m. upto the date of the Annual General Meeting.

4. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO

ATTEND AND VOTE INSTEAD OF HIM/HER. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE BANK. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE BANK. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE BANK, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS SENT HEREWITH. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.

5. In compliance of SEBI direction to all listed companies to maintain all works relating to share registry - both physical and electronic at single point i.e. either in house or by SEBI Registered "Registrar & Transfer Agent (RTA)", Bank has appointed M/s. Integrated Registry Management Services Private Limited as Share Transfer Agent for both physical and demat segments with effect from 30.01.2003.

   Address of Share Transfer Agent:
   M/s. Integrated Registry Management Services Private Limited
   II Floor, "Kences Towers", No.1 Ramakrishna Street,
   North Usman Road, T.Nagar, Chennai - 600 017
   Ph: 044-28140801/2/3 Fax: 28142479/28143378
   Email: lvb@integratedindia.in

6. Members are requested to notify any change in their address along with the pin code immediately to Share Transfer Agent and in case their shares are held in demat form; this information should be sent to the concerned Depository Participant.

7. **Unclaimed Dividends:**

   a) Shareholders and Beneficial owners who have not so far encashed/claimed the dividends for the last 7 years i.e. from 2010-2011 to 2016-2017 have to submit the dividend warrant(s) if any available with them for revalidation to the Registrar & Share Transfer Agent, M/s. Integrated Registry Management Services Private Limited, II Floor, "Kences Towers", No. 1 Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017. Shareholders who have lost the dividend warrants are advised to execute the indemnity bond and send to the Registrar.

   b) In terms of Section 124(5) read with section 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), as amended, the dividend which were unclaimed for a period of seven years or more have to be transferred to "Investor Education and Protection Fund" maintained with Central Government. As per Section 124 (6), read with the IEPF Rules, the Bank is also required to transfer the equity shares in respect of which dividends are not claimed for the last 7 consecutive years for credit to IEPF Suspense account in Dematerialized form. In line with the applicable proviso, the Bank has transferred the shares pertaining to the unclaimed dividend for the years 2008-09 & 2009-10 to the IEPF Authority. The details of the unclaimed dividend are uploaded in the website of Investor Education and Protection Fund as well as the website of the Bank and the shareholders may verify their details from the said websites and approach us for claim.

   c) As per the IEPF Rules, any person whose shares, unclaimed dividend, unclaimed refund has been transferred to the IEPF fund, may claim the shares under Section 124(6) or apply for refund under Section 125(3)(a), to the authority by submitting an online application in Form IEPF 5 available on the website www.iepf.gov.in. The Bank has also appointed a nodal officer for the purpose of coordination with IEPF authority. The contact information of the nodal officer has been made available online as per the IEPF Rules and can be accessed at http://www.lvbank.com/ShareholderInfo.aspx.

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Bank or with our Registrar & Transfer Agent, M/s. Integrated Registry Management Services Private Limited, Chennai. In Compliance with the SEBI circular dated 20th April 2018, the Bank, had sent letters dated 15.06.2018 to shareholders holding shares in physical form and have not updated their PAN and Bank account details to update the same failing which they shall be subject to **enhanced due diligence** by the Issuer Company i.e., any transaction in such physical securities shall attract enhanced supervision by Company (Bank) and RTA.

9. Green Initiatives in Corporate Governance - Shareholders who have not registered their email address so far are requested to register their email address (for demat holders - with their respective DPs and for holders in physical form - with our Registrar & Share Transfer Agent, M/s. Integrated Registry Management Services Private Limited, Chennai) to enable to send all future correspondence through email.

10. Electronic copy of the Annual Report for the year 2017-18, Notice of the 91st Annual General Meeting of the Bank *inter alia* indicating the process and manner of e-voting along with Attendance slip and Proxy Form is being sent to all the members whose email IDs are registered with the Bank / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the 91st Annual Report, Notice of the 91st Annual General Meeting of the Bank *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

11. Members may also note that the Notice of the 91st Annual General Meeting and the Annual Report for 2017-2018 will also be available on the Bank's website, www.lvbank.com for their download. The physical copies of the aforesaid documents will also be available at the Bank's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the shareholders may also send requests to the Bank's investors grievance email id: investorsgrievances@lvbank.in.

12. **Voting through electronic means:**

    In compliance with provisions of Section 108 of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended read with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank is pleased to provide members holding shares in physical or dematerialized form, facility to exercise their right to vote at the 91st Annual General Meeting (AGM) by electronic means through 'Remote e-Voting' services provided by Central Depository Services Limited (CDSL).

    The "cut-off date" for the "Remote e-Voting" is 01.08.2018. The instructions for e-voting are given at the end of this notice. Consequently, as per the applicable statutory provisions, voting by show of hands will not be available to the shareholders at the 91st Annual General Meeting.

13. **Voting through Postal Ballot**:

    The bank is also providing the facility of ballot form to those shareholders, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice. The Ballot form along with the postage prepaid envelope and the instructions are enclosed along with the Annual Report. The last date for receiving the ballot form will be 07.08.2018 at 5.00 p.m. Ballot forms received after this date shall not be considered.

    The Shareholders may opt only for one mode of voting i.e., either by Postal Ballot or through e-voting. In case of shareholders casting their vote by both postal ballot and e-voting, then only the votes cast through e-voting shall prevail and the votes cast through postal ballot shall be treated as invalid.

14. In compliance with the Companies (Management and Administration) Rules, 2014, as amended the Bank is pleased to offer the facility for voting through physical ballot at the AGM. The Shareholders, who are eligible to vote as on the "cut-off" date being 01.08.2018, but have not exercised their right to vote either through e-voting or through postal ballot shall cast their votes at the AGM through Physical Ballots for all the resolutions set out in the Notice. Shareholders who have exercised their right to vote either through e-voting or through postal ballot may attend the AGM but shall not vote at the AGM.

15. By virtue of clause 127 (2) of the Articles of Association of the bank, no suit or other proceeding by or at the instance of any Member of the Bank relating to any General Meeting of the Bank, whether Annual General Meeting or Extraordinary General Meeting or Meetings of Board or Committee of Directors, seeking any direction with reference to such meeting or to restrain any proceedings thereat or the passing of any resolution or the transaction of any business shall be instituted in any Court other than the Courts in Karur/ Chennai which is the places of residence of the Bank for this purpose by reason of location of its Registered Office / Corporate Office.

16. The bank's shares are traded in demat form in the stock exchanges "The National Stock Exchange of India Limited" & "BSE Limited". Appreciating the safety features and other benefits in demat form, the shareholders holding shares in physical form are requested to dematerialize their shares and get the benefits by holding the shares in demat form.

Additional information pursuant to Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director seeking re-election.

Item No. 2

Re-appointment of Smt Anuradha Pradeep, Director:

Smt. Anuradha Pradeep, aged about 51 years, is one of the promoter directors of the Bank. She is a Non-Independent and Non-Executive Director. She has been associated with the Bank since 21.03.2017. She holds a Bachelor's degree in law (LLB).

She is an independent Legal practitioner by profession practicing in the High Court of Karnataka for the past 25 years. She also appears as an arguing counsel before Supreme Court and High Courts at Bangalore, Bombay, Madras. Her areas of expertise include Civil Law, Criminal Law, Taxation, Constitutional Law, Mining Law, Arbitration, Intellectual property, Service Law, Labour Laws, Industrial Laws, Company Laws, Consumer Law, Negotiable Instruments Act etc.

The committee membership details of Smt Anuradha Pradeep as on March 31, 2018 is as follows:

1. Stakeholders Relationship Committee - Chairperson
2. Customer Service Committee - Chairperson
3. Risk Management Committee - Member
4. Nomination, Remuneration and Compensation Committee - Member
5. IT Strategy Committee - Member
6. HR Committee - Member
7. Corporate Social Responsibility Committee - Member
8. Committee of Directors for Capital Raising - Member

As on 31.03.2018, Smt. Anuradha Pradeep does not hold any directorship in any other Listed Company. The details pertaining to the directorships held by her in other Companies are as follows:

Sl.No	Name of the Company	Name of the Committee
1	M/s. Pranava Electronics Pvt Ltd	CSR committee - Member
2	M/s. Kare Electronics and Development Pvt Ltd	CSR committee - Member
3	M/s. Kare Investments Pvt Ltd	Not a member in any Committee

She does not chair any Committees in the above two companies.

Being a Non-Executive and Non-Independent Director, Smt. Anuradha Pradeep does not draw any remuneration from the Bank apart from the sitting fees paid for attending the Board/Board Committee meetings.

The details of her Board/Board Committee meeting attendance during the year 2017-18 are as follows:

No of Board Meetings entitled to attend	No of Board Meetings attended	Percentage of attendance	No of Committee Meetings entitled to attend	No of Committee Meetings attended	Percentage of attendance
16	16	100%	28	28	100%

Smt. Anuradha Pradeep holds 8288 equity shares in the bank as on 31.03.2018. In the opinion of the Board, associating with Smt. Anuradha Pradeep would be of immense benefit to the Bank on account of her legal knowledge and experience in the field and it is desirable to continue to avail services of Smt. Anuradha Pradeep as a Non-Executive and Non-Independent Director liable to retire by rotation. Accordingly, the Board recommends the resolution in relation to re-appointment of Smt. Anuradha Pradeep as Non-Independent Director, for the approval by the shareholders of the Bank as an **Ordinary Resolution**.

She is not related to any other directors in the bank and except Smt. Anuradha Pradeep being an appointee, none of the Directors and Key Managerial Personnel of the bank and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 2.

Item No. 3

Note on appointment of Statutory Central Auditors:

The Audit Committee of the Board and the Board of Directors have recommended the appointment of M/s. P. Chandrasekar LLP, Chartered Accountants, Bangalore, as the Statutory Central Auditors of the bank to audit the accounts for the financial year 2018-19 including Tax Audit and also to conduct "Limited Reviews" occurring between ensuing Annual General Body Meeting and Next Annual General Meeting. The Bank has requested for an approval from the Reserve Bank of India as per applicable provisions of the Banking Regulation Act, 1949.

Accordingly it is being proposed by the Board to appoint M/s. P. Chandrasekar LLP, Chartered Accountants, Bangalore, Firm Registration No.000580S/S200066 to hold office from the conclusion of this AGM till the conclusion of next AGM as set out in Item No.3 of the Notice.

None of the Directors and Key Managerial Personnel and their relatives are in anyway concerned or interested in this resolution.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 4

In terms of Section 143(8) of the Companies Act, 2013, the Branch Offices of the Bank have to be audited either by Statutory Auditors or other qualified Auditors. Bank intends to entrust the Audit of Branch Offices either to the Statutory Auditors or to other qualified Auditors in consultation with Statutory Auditors on such remuneration and on such terms and conditions as the Board deems fit based on the recommendations of the Audit Committee of the Board.

None of the Directors of the bank and Key Managerial Personnel of the bank and their relatives are interested in this resolution.

Item No. 5

Shri G Sudhakara Gupta, (DIN. 00005150), aged about 59 years is one of the promoter directors of the Bank. He is a Non-Independent and Non-Executive Director. In this tenure, he has been associated with the Bank since 27.09.2017. In the past, he had served on the Board of the Bank from 20.03.2006 to 15.06.2009. He has 37 years of Business experience and he had worked and gained varied knowledge at different levels in Private Sector and Quasi-Govt. Undertakings. He had worked as Director of a multi-crore construction company, XS Real Properties Private Limited at Chennai since its inception. He was responsible for marketing, finance, operations, procurement of land, office administration, liaisoning with Govt. authorities / agencies etc., obtaining building plan approvals and sanctions for various projects of the company supported ably by a Core Team of Professionals having core competence in their respective areas. Currently he is working as a Consultant for the above company. He holds a Bachelor's Degree in Science & also an MBA.

The committee membership details of Shri G Sudhakara Gupta as on March 31, 2018 is as follows:

1. Audit Committee - Member
2. Risk Management Committee - Member
3. Customer Service Committee- Member
4. IT Strategy Committee - Member

Shri G Sudhakara Gupta does not hold any directorship in any other Listed Company as on 31.03.2018. The details pertaining to the directorships held by him in other Companies are as follows:

Sl.No	Name of the Company	Name of the Committee
1	M/s. Amaryllis Properties Private Limited	Not a member in any Committee
2	M/s. Magenta RE Asset Private Limited	
3	M/s. Holzwerk Interior Private Limited	
4	M/s. Jacaranda Properties Private Limited	
5	M/s. Pristine Propservices Private Limited	

Shri G Sudhakara Gupta holds 2666 equity shares in the bank as on 31.03.2018.

Being a Non-Executive and Non-Independent Director, Shri G Sudhakara Gupta does not draw any remuneration from the Bank apart from the sitting fees paid for attending the Board/Board Committee meetings.

In the opinion of the Board, associating with Shri G Sudhakara Gupta would be of immense benefit to the Bank on account of his business knowledge and experience and it is desirable to continue to avail services of Shri G Sudhakara Gupta as a Non-Executive and Non-Independent Director liable to retire by rotation. Accordingly, the Board recommends the resolution in relation to appointment of Shri G Sudhakara Gupta as Non-Independent Director, for the approval by the shareholders of the Bank as an **Ordinary Resolution**.

He is not related to any other directors in the bank and except Shri G Sudhakara Gupta being an appointee, none of the Directors and Key Managerial Personnel of the bank and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 6

Shri H S Upendra Kamath, (DIN. 02648119), aged about 64 years was appointed as an Additional Director in Independent Category on 20.04.2018. He has been appointed as Director specializing in Banking (Practical Experience) and Small Scale Industry (Special Knowledge) as per the provisions of the Banking Regulation Act, 1949. He has about 44 years of experience in the field of Banking.

Shri H S Upendra Kamath served as an Executive Director in Canara Bank from 2009 to 2011 and was the Chairman and Managing Director of Vijaya Bank from 2011 to 2013. Later, he had also served as the Managing Director & CEO of Tamilnad Mercantile Bank Limited from 2014 to 2017. He holds a Bachelor of Commerce degree and CAIIB.

Since, Shri H S Upendra Kamath was appointed after the end of the financial year 31.03.2018, disclosure with respect to his committee memberships & attendance is not applicable.

Being a Non-Executive and Independent Director, Shri H S Upendra Kamath does not draw any remuneration from the Bank apart from the sitting fees paid for attending the Board/Board Committee meetings. He does not hold any equity shares in the bank.

The details pertaining to the directorships held by Shri H S Upendra Kamath in other Companies is as follows:

Sl.No	Name of the Company	Name of the Committee
1	M/s. Kisan Mouldings Limited	Audit Committee - Chairman
2	M/s. Ram Ratna Wires Limited	Not a member in any Committee

In the opinion of the Board, Shri H S Upendra Kamath fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the bank and is independent of the management. The Board considers that his banking knowledge would be of immense benefit to the Bank and it is desirable to avail services of Shri H S Upendra Kamath as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri H S Upendra Kamath as an Independent Director for a period of two years, for the approval by the shareholders of the Bank as an **Ordinary Resolution**.

He is not related to any other directors in the Bank and except Shri H S Upendra Kamath being an appointee, none of the Directors and Key Managerial Personnel of the bank and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No.6.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 7

The Bank has been exploring various options for raising funds by way of issue of Equity Shares, GDRs, ADRs, FCCBs, fully convertible debentures/partly convertible debentures, preference shares convertible into Equity Shares, and/ or any other security or financial instruments convertible into Equity Shares or securities linked to Equity Shares or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (hereinafter referred to as "Securities"), or any combination thereof, in one or more tranches, by way of a Qualified Institutions Placement in accordance with the provisions of Chapter VIII of the ICDR Regulations or issue of GDR, or issue of ADR, or issue of FCCB or any combination thereof, for an aggregate issuance of or conversion into up to 150,000,000 Equity Shares of ₹ 10 each of the Bank. The special resolution seeks to empower the Board to issue Securities as aforesaid including through an issue of prospectus or placement document to such investors that may be permitted to invest in such issuance of Securities, including eligible QIBs as defined in the ICDR Regulations, or otherwise, foreign or resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, Indian and/ or multilateral financial institutions, mutual funds, insurance companies, non-resident Indians, stabilizing agents, pension funds or any

other categories of investors, whether or not such investors are members of the Bank, (collectively called the "Investors") as may be deemed appropriate by the Board or its duly authorised committee in its sole discretion and in accordance with applicable laws.

In case of QIP, since the pricing and other terms of the offering cannot be decided, except at a later stage, an enabling resolution is proposed, to give adequate flexibility and discretion to the Board to finalize the terms. However, the same would be in accordance with the ICDR Regulations or any other guidelines / regulations as may be applicable in case of an issue of the Securities to the Investors. The issue of Securities as aforesaid may be consummated in one or more tranches at such time or times at such price, at a discount or premium to market price in such manner and on such terms and conditions as the Board may in its absolute discretion decide taking into consideration prevailing market conditions and other relevant factors and wherever necessary in consultation with advisors, lead managers, underwriters and other experts subject to ICDR Regulations and other applicable laws, regulations, rules and guidelines. The Board may at its discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated above without the need for further approval from the members of the Bank.

In case of QIP, the relevant date for the purpose of pricing of the Equity Shares would, pursuant to Chapter VIII of the ICDR Regulations, be the date of the meeting in which the Board or duly authorised Committee thereof decides to open the proposed issue of Equity Shares. The pricing for this purpose shall be in accordance with Regulation 85 of Chapter VIII of the ICDR Regulations. The Bank may offer a discount of not more than 5% on the floor price calculated under the ICDR Regulations for the QIP or such other discount as may be permitted under the ICDR Regulations. The issue and allotment of Equity Shares shall be made only to QIBs within the meaning of the ICDR Regulations and such Equity Shares shall be fully paid up on its allotment. The total amount raised in such manner and all previous QIPs made by the Bank in the same financial year, if any, shall not exceed 5 times of the Bank's net worth as per the audited balance sheet of the previous financial year. The Equity Shares shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognised stock exchange or except as may be permitted from time to time by the ICDR Regulations. In terms of Chapter VIII of the ICDR Regulations, the allotment of the specified securities, or any combination of specified securities, as may be decided by the Board, shall be completed within 12 months from the date of this resolution or such other time, as may be permitted under the ICDR Regulations.

The funds being raised pursuant to the proposed Issue shall be for augmenting Tier I capital funds to support business growth as directed by RBI. Since the Issue may result in the issue of Equity Shares to investors who may or may not be members of the Bank, consent of the members is being sought pursuant to Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 as well as applicable rules noticed by the Ministry of Corporate Affairs, the ICDR Regulations and any other law for the time being in force and being applicable and in terms of the provisions of the Listing Regulations.

The resolutions contained in Item No. 7 of the accompanying notice, accordingly, seek shareholders' approval through special resolution for raising funds as above through issue of Equity Shares and this special resolution, if passed, will have the effect of allowing the Board to offer, issue and allot Equity Shares to the investors who may or may not be the existing shareholders of the Bank. The Equity Shares, if any, shall rank in all respects paripassu with the existing Equity Shares, including entitlement of dividends, if any.

None of the promoters will subscribe to the Issue, if made under Chapter VIII of the ICDR Regulations.

The proposed Issue is in the best interest of the Bank and your directors recommend the resolution for your approval.

None of the Promoters, Directors and Key Managerial Personnel of the Bank and their relatives are concerned or interested in the proposed resolution except to the extent of their shareholding in the Bank.

Item No. 8

The Bank has been borrowing funds for augmenting capital funds to support business growth as directed by RBI within the limits approved by the members of the Bank by way of issuance of various debt securities (bonds/debentures) as permitted by the RBI and in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force) and other applicable laws, from time to time. In terms of Section 42 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force), the Bank is permitted to make a private placement of securities subject to the condition that the proposed offer of securities or invitation to subscribe securities has been previously approved by the members of the Bank, by a special resolution, for each of the offers or invitations/ subscriptions. In case of offer or invitation for subscription of non-convertible debentures, it shall be sufficient if the Bank passes a special resolution only once in a year for all the offers or invitation for subscription of such debentures during the year. Whilst the shareholders had passed a special resolution in the last annual general meeting of the Bank held on

18.07.2017, it has validity of one year i.e. up to 17.07.2018. In case the Bank needs to or gets an opportunity to raise such funds post such validity, it will require shareholders' fresh approval at that time which could be time consuming. Hence it is proposed to seek approval of the members of the Bank once again in this financial year so that the validity could be extended up to one year from the date of this annual general meeting.

The Board of Directors have proposed to obtain the consent of the members of the Bank for borrowing/ raising funds in Indian/ foreign currency by issue of debt securities pursuant to the relevant provisions of the applicable circulars or guidelines issued by RBI, up to Rs.2,500 million (Rupees two thousand five hundred million) in aggregate, for additional Tier I and Tier II Capital, in one or more tranches in domestic and /or overseas market, as per the structure and within the limits permitted by RBI and other regulatory authorities, to eligible investors on private placement basis, on such terms and conditions as the Board of Directors or any committee(s) thereof or any Whole-Time Director(s) of the Bank as may be authorised by the Board, from time to time, determine and consider proper and appropriate for the Bank. This would form part of the overall borrowing limits under Section 180(1)(c) of the Companies Act, 2013. This resolution under Section 42 of Companies Act, 2013 shall be valid for a period of one year from the date of passing of the resolution.

The pricing of the debt securities referred above depends primarily upon the rates prevailing for risk free instruments, rates on other competing instruments of similar rating and tenor in the domestic or overseas markets, investor appetite for such instruments and investor regulations, which enable investments in such instruments. Further, debt securities would be issued for cash either at par or premium or at discount to the face value depending upon the prevailing market conditions, as permitted under the Laws. Accordingly, the approval of the members of the Bank is being sought by way of special resolution as set out in Item No.8 of this notice for borrowing/raising funds in Indian/ foreign currency by issue of debt securities on private placement basis.

The proposed Issue is in the best interest of the Bank and your directors recommend the resolution for your approval.

None of the Promoters, Directors and Key Managerial Personnel of the Bank and their relatives are concerned or interested in the proposed resolution except to the extent of their shareholding in the Bank.

BY ORDER OF THE BOARD
For THE LAKSHMI VILAS BANK LIMITED

Place : Chennai
Date : 26.06.2018

N. RAMANATHAN
Company Secretary
ACS No. 28366

E – Voting

Dear Shareholders,

In terms of Sections 107 and 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, the Bank is providing the e-voting facility to its members holding shares in physical or dematerialized form as on 01.08.2018, to exercise their right to vote by electronic means on any or all of the business specified in the accompanying notice. The Bank has appointed Mr. K. Muthusamy, Practicing Company Secretary (CP No. 3176) as the scrutinizer for conducting the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of e-voting period unblock the votes in the presence of atleast two witnesses not in the employment of the Bank and make a scrutinizer's report of the votes cast in favour or against, if any forthwith to the Chairman. The results shall be declared on or after the AGM of the Bank. The results declared along with the Srutinizer's Report shall be available on the Bank's website within two (2) days of passing of the resolution at the AGM of the Bank and communicated to the Stock Exchange/s.

The Bank has engaged the services of Central Depository Services Limited (CDSL) as the authorized agency to provide the e-Voting facilities.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 05.08.2018 at 10.00 AM and ends on 07.08.2018 at 5.00 PM. During this period shareholders' of the Bank, holding shares either in physical form or in dematerialized form, as on the cut-off date 01.08.2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-Voting website www.evotingindia.com.

(iii) Click on Shareholders / Members.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login • If both the details are not recorded with the Depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non - Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

LAKSHMI VILAS BANK

THE LAKSHMI VILAS BANK LIMITED

CIN L65110TN1926PLC001377

Registered Office: Salem Road, Kathaparai, Karur - 639 006.
Corporate Office: "LVB House", No. 4, Sardar Patel Road, Guindy, Chennai - 600 032.
Website: www.lvbank.com, Tel No.: 044-22205306, Email: secretarial@lvbank.in

POSTAL BALLOT FORM

1	Name of Sole / First Member	
2	Name(s) of Joint Member(s), if any	
3	Registered Folio No. / DPID No. & Client ID No.	
4	No. of Shares held	

I/We hereby exercise our right to vote in respect of the Resolution(s) for the business stated in the AGM Notice dated 26.06.2018 of the Bank by conveying my/our assent or dissent to the said resolution(s) by placing the tick (✓) mark at the appropriate box below:

Item No.	Description of the Resolution	Type of resolution (Ordinary / Special)	No. of Shares	I / We assent to the resolution (FOR)	I / We dissent from the resolution (AGAINST)
1.	Adoption of audited financial statements of the bank for the year ended 31st March 2018 and the Report of the Directors' and the Auditors' thereon.	Ordinary			
2.	Appointment of Director in place of Smt Anuradha Pradeep who retires by rotation and being eligible, offers herself for re-appointment	Ordinary			
3.	Appointment of Statutory Auditors.	Ordinary			
4.	Appointment of Branch Auditors.	Ordinary			
5.	Appointment of Shri G Sudhakara Gupta as Director of the Bank, liable to retire by rotation.	Ordinary			
6.	Appointment of Shri H S Upendra Kamath as an Independent Director of the Bank.	Ordinary			
7.	Raising of capital through QIP, GDR, ADR etc.	Special			
8.	Approval for borrowing / raising funds in Indian / foreign currency by issue of debt securities to eligible investors on private placement basis.	Special			

Place :

Date :

(Signature of Member/s)

Note : Kindly read the instructions printed overleaf before filling the form.
Last date for receipt of postal ballot forms by Scrutinizer is Tuesday, the 7th August, 2018 not later than 5.00 P.M.

POSTAL BALLOT INSTRUCTION

1. The Bank is providing the facility of postal ballot, to enable those shareholders, who do not have access to e-voting facility, to send their assent or dissent in writing through postal ballot as per the provisions of the Companies (Management and Administration) Rules, 2014 and amendments made thereto. Accordingly, this Postal Ballot Form is being provided to facilitate e-voting provided under Section 108 of the Companies Act, 2013.

2. A member desiring to exercise his/her vote by Postal Ballot Form should complete this Postal Ballot Form and send the duly signed Form through the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer as per instruction below at the address, Mr. K. Muthusamy (Scrutinizer), C/o. M/s Integrated Registry Management Services Private Limited, II floor, "Kences Towers" No.1 Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017. Postage will be borne and paid by the Bank. Envelopes containing Postal Ballots, deposited in person or sent by courier at the expense of the Members will also be accepted.

3. The self-addressed envelope bears the name of the Scrutinizer appointed by the Board of the Bank and the address at which the Postal Ballot Form is to be sent.

4. The Postal Ballot form should be completed and signed by the Members. In the case of joint shareholding, this form should be completed and signed by the first named Member and in his absence; by the next named Member. Unsigned Postal Ballot forms will be rejected. The signature on the Postal Ballot Form must tally with the specimen signature registered with the Bank.

5. For the votes to be considered valid, the institutional shareholders (i.e., other than individuals, HUF, NRIs etc.) are required to send certified copy of the relevant authorization/ board resolution along with the Postal Ballot Form. A member may sign the Form through an Attorney appointed specifically for this purpose, in which case, an attested true copy of the Power of Attorney should be attached to the Postal Ballot Form.

6. Duly completed Postal Ballot Forms should reach the Scrutinizer not later than 05.00 P.M., on 07th August, 2018. Any Postal Ballot Form received after this time and date will be treated as if the reply from the Member has not been received.

7. A member may request for a duplicate Postal Ballot Form, if so required. However the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the time and date specified at Sl No. 6 above.

8. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Member on 01.08.2018, which is the cut-off date fixed for this purpose.

9. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extra paper found in such envelope would be destroyed by the Scrutinizer.

10. There will be one Postal Ballot Form for every folio irrespective of the number of joint members(s).

11. A member need not use all the votes nor does he need to cast all the votes in the same way.

12. The Scrutinizer's decision on the validity of a Postal Ballot will be final and binding.

13. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.

14. The date of AGM will be the deemed date of passing resolution(s) through E-voting/Postal ballot. It may also be noted that, in terms of Section 114 of the Companies Act, 2013, the resolutions contained in the AGM Notice will be deemed to have been passed through the e-voting and ballot. The results shall be declared in terms of Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, as the case may be.

15. The right of e-voting and Postal Ballot Form shall not be exercised by a Proxy.

16. Members may please note that they have to vote through any one of the modes viz., E-voting, Postal Ballot or voting at the AGM Venue. Members who have already voted prior to the meeting date would not be entitled to vote at the AGM venue.

LAKSHMI VILAS BANK

THE LAKSHMI VILAS BANK LIMITED

CIN L65110TN1926PLC001377

Registered Office: Salem Road, Kathaparai, Karur - 639 006.
Corporate Office: "LVB House", No. 4, Sardar Patel Road, Guindy, Chennai - 600 032.
Website: www.lvbank.com, Tel No.: 044-22205306, Email: secretarial@lvbank.in

Form No. MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014, as amended)

CIN	L65110TN1926PLC001377
Name of the Company	The Lakshmi Vilas Bank Limited
Registered Office	Salem Road, Kathaparai, Karur - 639 006.

Name of the member(s)	
Registered Address	
E-mail ID	
Folio No. / DP ID and Client ID	

I / We, being the member(s) of M/s. The Lakshmi Vilas Bank Limited, hereby appoint

1	Name of the member(s)		
	Address		
	E-mail ID		
	Signature		Failing him
2	Name of the member(s)		
	Address		
	E-mail ID		
	Signature		Failing him
3	Name of the member(s)		
	Address		
	E-mail ID		
	Signature		

as my / our proxy to attend and vote (on poll) for me / us and on my/our behalf at the 91st Annual General Meeting of the bank, to be held on 08th August, 2018 at 10.00 A.M at the Registered Office, Salem Road, Kathaparai, Karur- 639 006 and at any adjournment thereof in respect of such resolutions as indicated below.

Res. No.	Resolution
1.	Adoption of audited financial statements of the bank for the year ended 31st March 2018 and the Report of the Directors' and the Auditors' thereon.
2.	Appointment of Director in place of Smt Anuradha Pradeep who retires by rotation and being eligible, offers herself for re-appointment.
3.	Appointment of Statutory Auditors.
4.	Appointment of Branch Auditors.
5.	Appointment of Shri G Sudhakara Gupta as Director of the Bank, liable to retire by rotation.
6.	Appointment of Shri H S Upendra Kamath as an Independent Director of the Bank.
7.	Raising of capital through QIP, GDR, ADR etc.
8.	Approval for borrowing / raising funds in Indian / foreign currency by issue of debt securities to eligible investors on private placement basis.

Signed this..... day of ..... 2018.

Signature of Shareholder: .....

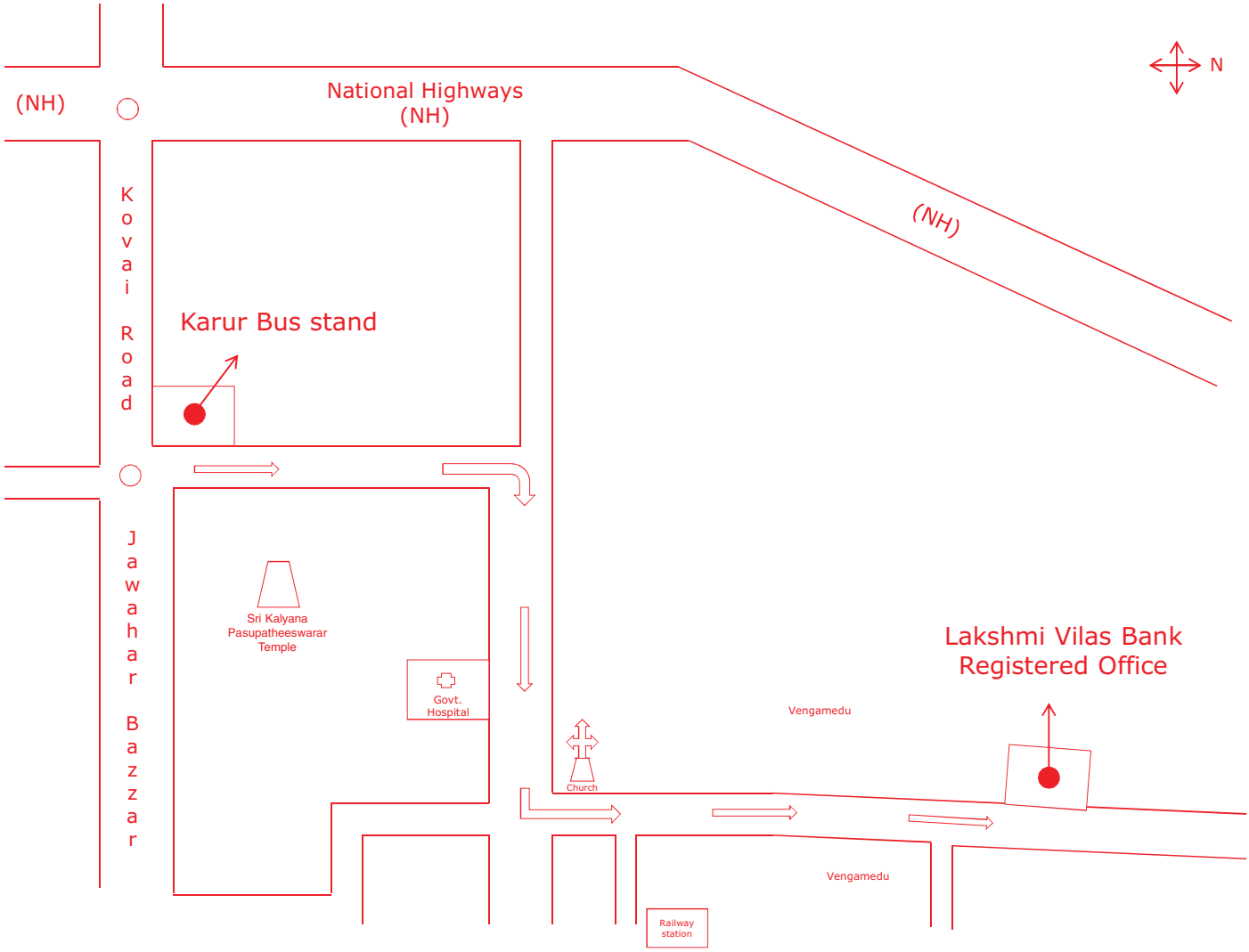
Signature of Proxy holder(s): .....

Affix ₹ 1/- Revenue Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank, not less than 48 hours before the commencement of the meeting

LAKSHMI VILAS BANK

ROUTE MAP TO THE VENUE OF THE AGM



LAKSHMI VILAS BANK

The Lakshmi Vilas Bank Limited

Corporate Office, “LVB HOUSE”, No.4, Sardar Patel Road, Guindy, Chennai - 600 032
Phone: 044 - 22205306
{Regd. Office: Salem Road, Kathaparai, Karur- 639006 Ph: 04324 - 258501}
Visit us at: www.lvbank.com | Email: secretarial@lvbank.in
CIN L65110TN1926PLC001377

Dear Shareholder,

Sub: SEBI notification on compulsory dematerialization.

Securities and Exchange Board of India (SEBI) had notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 vide notification dated 8th June 2018. As per the SEBI notification, with effect from 5th December 2018 i.e., 180th date from the date of the aforementioned notification, transfer of shares will be permitted only if the shares are held in dematerialized form.

The Extract of the proviso is as follows

“except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.”

In this regard, shareholders holding shares in physical form are requested to dematerialize their shares in order to avail the benefit of free transferability as any request for transfer of shares after 5th December 2018 will not be permitted if the shares are held in physical mode.

For any information or query, shareholders are requested to contact the Registrar and Share Transfer Agent M/s. Integrated Registry Management Services Private Limited at 044-28140801/2/3 or the Secretarial Department at 044-22205306.

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