LAKSHMI VILAS BANK

Secretarial Department CIN: L65110TN1926PLC001377

Ref/Sec/205 & 266/270/2017-2018 January 30, 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 - 400 001 Scrip Code: 534690

Dear Sir,

Sub: Unaudited Financial Results for the Third Quarter Ended 31.12.2017.

[In compliance of Regulation 30 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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Please find enclosed the Un-Audited Financial Results and Limited Review Report of the Bank for the Third Quarter ended 31st December, 2017 approved by the Board on January 30, 2018.

The meeting of Board of Directors of the Bank commenced at 10:30 AM and concluded at 5:45 PM.

This is for your information and records.

Thanking You,

Yours faithfully,

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

N Ramanathan
Company Secretary

Encl: A/a

LAKSHMI VILAS BANK

Corporate Office, "LVB HOUSE", No.4 Sardar Patel Road, Guindy, Chennai 600 032
(Regd. Office: Salem Road, Kathaparai, Karur - 639 006)
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED 31ST DECEMBER, 2017

(₹ in lakhs)

PARTICULARS	QUARTER-ENDED			NINE MONTHS ENDED		YEAR ENDED
	31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Mar-17
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
1. INTEREST EARNED (a+b+c+d)	79016.76	77887.22	72903.78	233899.58	211309.80	284665.75
(a) Interest/discount on advances/bills	59140.21	61307.55	56266.25	181731.95	168596.39	223971.04
(b) Income on investments	19452.50	16384.48	15867.53	51003.36	41488.85	57759.37
(c) Interest on balances with RBI & Other inter- bank funds	40.14	40.60	716.00	588.12	1084.72	1228.33
(d) Others	383.91	154.59	54.00	576.15	139.84	1707.01
2. Other Income	2734.30	12388.37	15022.38	30852.38	37133.27	50276.78
3. Total Income (1+2)	81751.06	90275.59	87926.16	264751.96	248443.07	334942.53
4. Interest expended	57049.97	54613.40	53842.27	166886.23	155825.34	206400.36
5. Operating Expenses (I) + (ii)	20089.28	17724.05	16939.17	55403.26	47047.35	65136.59
(I) Employees cost	10064.07	9068.94	9122.73	27721.34	24930.68	33470.89
(ii) Other operating expenses	10025.21	8655.11	7816.44	27681.92	22116.67	31665.70
6. Total Expenditure (excluding provisions and contingencies (4) + (5)	77139.25	72337.45	70781.44	222289.49	202872.69	271536.95
7. Operating Profit before provisions and contingencies (3) - (6)	4611.81	17938.14	17144.72	42462.47	45570.38	63405.58
8. Provisions (other than Tax) and Contingencies	8535.21	18738.03	4806.66	38473.95	14579.28	25398.37
9. Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00
10.Profit/Loss from ordinary activities before tax (7)-(8)-(9)	-3923.40	-799.89	12338.06	3988.52	30991.10	38007.21
11. Tax expense	0.00	-1850.00	4500.00	250.00	10600.00	12400.00
12. Net Profit/Loss from Ordinary activities after tax (10) - (11)	-3923.40	1050.11	7838.06	3738.52	20391.10	25607.21
13. Extra Ordinary items (Net of Tax Expense)	0.00	0.00	0.00		0.00	0.00
14. Net Profit/Loss for the period (12-13)	-3923.40	1050.11	7838.06	3738.52	20391.10	25607.21
15. Paid up equity share capital (Face Value ₹10/-)	19200.67	19180.67	17946.16	19200.67	17946.16	19144.67
16. Reserves excluding revaluation reserves as per balance sheet of previous accounting year	177540.18	177540.18	141240.02	177540.18	141240.02	177540.18
17. Analytical Ratios						
I) Percentage of shares held by Govt. of India	NIL	NIL	NIL	NIL	NIL	NIL
ii) Capital Adequacy Ratio (%)						
(a) Basel - II	10.01	10.67	10.42	10.01	10.42	10.48
(b) Basel - III	9.75	10.57	10.21	9.75	10.21	10.38
iii) Earnings Per Share (EPS)(*Not Annualised)						
(a) Basic EPS - before/after extraordinary items (Not annualised) (₹)	-2.04	0.55	4.37	1.95	11.36	14.07
(b) Diluted EPS - before/after extraordinary items (Not annualised) (₹)	-2.03	0.54	4.35	1.94	11.31	13.95
iv) NPA RATIOS						
(a) Gross NPA	142700.96	127765.66	54859.97	142700.96	54859.97	64019.43
Net NPA	106046.00	99322.57	35422.88	106046.00	35422.88	41841.59
(b) % of Gross NPA	5.66	5.50	2.78	5.66	2.78	2.67
% of Net NPA	4.27	4.33	1.82	4.27	1.82	1.76
(c) Return on Assets (%) (Annualised)	-0.42	0.12	0.98	0.14	0.90	0.83

R.K. KUMAR & CO. CHENNAI Chartered Accountants

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

LAKSHMI VILAS BANK

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NOTES:

1	There has been no change in the accounting policies followed by the bank during the quarter ended December 2017 as compared to those in the preceding financial year ended March 2017.
2	The working results for the quarter ended 31st December 2017 have been arrived at after considering provision for Non Performing Assets and depreciation on Investments. Provision for Employee Benefits, Income Tax and Other usual and necessary provisions are on an estimated and proportionate basis and are subject to adjustment at the year end.
3	The Bank vide its letter of offer dated 27.11.2017 offered up to 6,44,97,155 Equity Shares of Face Value Rs.10/-each at a price of Rs.122/- per Equity Share (including a share premium of Rs.112/- per Equity Share) for an amount aggregating to Rs.786.87 crore to the Existing Equity Shareholders of the bank on a rights basis in the ratio of one Equity Share for three Equity Shares held by the Equity Shareholders on the record date i.e. 06.12.2017. The Bank has alloted 6,39,87,006 equity shares on 03/01/2018, the remaining 5,10,149 Equity shares being kept in abeyance. Consequently, the capital adequacy ratio would improve accordingly.
4	During the quarter ended 31st December 2017, the Bank had allotted 2,00,000 shares pursuant to the exercise of employees' stock option.
5	In terms of RBI guidelines, the bank had opted to spread the net shortfall on account of sale of assets to Reconstruction Companies over a period of eight/four quarters and consequently Rs.8.13 crore has been charged to the Profit & Loss account for the quarter ended 31st December, 2017 by corresponding reversal of the proportionate debit made earlier to Revenue and Other Reserves. The unamortised amount is nil.
6	In terms of RBI guidelines, the bank has opted to spread the provision required for the outstanding balances in advance related fraud accounts over a period of four quarters and consequently Rs.18.44 crore has been charged to the profit & loss account for the quarter ended 31st December 2017. The unamortised amount of Rs.49.21 crore will be amortised in the subsequent quarters. The said amount is debited to 'Other Reserves' and credited to 'Other Provisions' as per RBI circular no.DBR.No. BP.BC.92/21.04.048/2015-16 dated 18.04.2016
7	In accordance with RBI Circular no. DBOD.BP.BC.1/21.06.201/2015-16 dt:01.07.2015 and DBR.BP.BC.80/21.06.201/ 2014-15 dt:31.03.2015, Pillar 3 disclosures including leverage ratios and liquidity coverage ratios under Basel III framework is being made available on bank's website at http://www.lvbank.com/basel_ii.aspx and the disclosures have not been subjected to audit or limited review by the statutory auditors of the bank.
8	Status of Investor Complaints for the quarter ended 31st December 2017:
	-Complaints pending at the beginning of the Quarter : Nil
	-Complaints received during the Quarter : Nil
	-Complaints disposed during the Quarter: Nil
	-Complaints unresolved at the end of the Quarter: Nil
9	The above financial results have been reviewed by the Audit Committee of the Board in their meeting held on 30th January 2018 and approved by the Board of Directors in their meeting held on 30th January 2018. The same have been subjected to Limited Review by the Statutory Auditors of the Bank and an unqualified review report has been issued.
10	The figures of the previous periods/year have been regrouped/reclassified, wherever necessary to conform to current period/ year classification.

Place: Chennai
Date: 30-01-2018

P. Mukherjee
MD & CEO

R.K. KUMAR & CO. CHENNAI Chartered Accountants

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SEGMENT REPORTING - DEC 2017

(Rs. in lakh)

PART A: BUSINESS SEGMENTS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
PARTICULARS	31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Mar-17
1. SEGMENT REVENUE	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
a. Treasury operations	16061.20	20314.28	26945.69	62483.20	63944.46	86631.42
b. Corporate/wholesale banking operations	24727.66	26433.57	23081.67	76414.90	69847.76	93322.04
c. Retail banking operations	40345.12	43128.46	37659.57	124676.94	113962.14	152262.28
d. Other banking operations	617.08	399.28	239.23	1176.92	688.71	2726.79
TOTAL	81751.06	90275.59	87926.16	264751.96	248443.07	334942.53
2. SEGMENT RESULTS						
a. Treasury operations	-2376.43	5248.67	10647.92	14887.36	21649.50	31042.48
b. Corporate/wholesale Banking operations	2847.42	5101.98	2789.68	11335.10	10062.97	12903.61
c. Retail banking operations	3624.39	7278.89	3559.12	15340.30	13418.51	17067.40
d. Other banking operations	516.43	308.60	148.00	899.71	439.40	2392.08
TOTAL	4611.81	17938.14	17144.72	42462.47	45570.38	63405.58
OPERATING PROFIT	4611.81	17938.14	17144.72	42462.47	45570.38	63405.58
PROVISIONS OTHER THAN TAX	8535.21	18738.03	4806.66	38473.95	14579.28	25398.37
PROFIT BEFORE TAX	-3923.40	-799.89	12338.06	3988.52	30991.10	38007.21
Less : Tax expenses	0.00	-1850.00	4500.00	250.00	10600.00	12400.00
NET PROFIT / LOSS	-3923.40	1050.11	7838.06	3738.52	20391.10	25607.21
3. SEGMENT ASSETS						
a. Treasury operations	1292921.32	1147300.59	896350.58	1292921.32	896350.58	899837.38
b. Corporate / Wholesale banking operations	845430.64	725691.33	704724.76	845430.64	704724.76	720821.55
c. Retail banking operations	1803329.52	1733214.07	1472268.22	1803329.52	1472268.22	1799528.11
d. Unallocated Assets	118036.30	108852.74	89222.73	118036.30	89222.73	104285.01
TOTAL	4059717.78	**3715058.73**	**3162566.29**	4059717.78	**3162566.29**	**3524472.05**
4. SEGMENT LIABILITIES						
a. Treasury operations	1275241.29	1126182.62	834344.99	1275241.29	834344.99	889506.26
b. Corporate/wholesale banking operations	834116.96	683556.17	674707.14	834116.96	674707.14	689273.91
c. Retail banking operations	1690257.90	1645707.48	1391996.20	1690257.90	1391996.20	1681548.44
d. Unallocated liabilities	48143.27	46706.98	64520.73	48143.27	64520.73	50509.27
TOTAL	3847759.42	**3502153.25**	**2965569.06**	3847759.42	**2965569.06**	**3310837.88**
CAPITAL EMPLOYED (Segment Assets - Segment Liabilities)						
a. Treasury operations	17680.03	21117.97	62005.59	17680.03	62005.59	10331.12
b. Corporate/wholesale banking operations	11313.68	42135.16	30017.62	11313.68	30017.62	31547.64
c. Retail banking operations	113071.62	87506.59	80272.02	113071.62	80272.02	117979.67
d. Unallocated	69893.03	62145.76	24702.00	69893.03	24702.00	53775.74
TOTAL	211958.36	212905.48	196997.23	211958.36	196997.23	213634.17

PART B: GEOGRAPHICAL SEGMENTS

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

R.K. KUMAR & CO. CHENNAI Chartered Accountants

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

R.K. KUMAR & CO

CHARTERED ACCOUNTANTS

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Independent Auditor's Review Report on Review of Interim Financial Results

To The Board of Directors of The Lakshmi Vilas Bank Ltd

1. We have reviewed the accompanying statement of Unaudited Financial Results of **The Lakshmi Vilas Bank Limited** ("The Bank") for the quarter / Nine months ended 31st December 2017 ("the Statement"), excluding the Pilar 3 disclosures, leverage ratio and liquidity coverage ratio under Basel III Capital Regulations disclosed on the Bank's website and in respect of which a link has been provided in the Statement, being prepared and submitted by the Bank pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The preparation and fair presentation of the Statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. It has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder in so far as they apply to Banking Companies, circulars and guidelines issued by the Reserve Bank of India from time to time and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Bank's Personnel and analytical procedures applied to financial data and thus provides less assurance than an Audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. In the conduct of our Review we have relied on the reports in respect of non-performing assets received from concurrent auditors of 98 branches. These reports cover 59.16 per cent of the advances portfolio of the Bank. Apart from these reports, in the conduct of our review, we have also relied upon various returns received from the branches of the bank.



R.K. KUMAR & CO

CHARTERED ACCOUNTANTS

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4. Without qualifying our report, we draw attention to Note No.6 of the unaudited financial statements regarding deferment of loss to the extent of Rs.49.21 Crore in respect of frauds.

5. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable Accounting Standards along with the other accounting principles generally accepted in India in so far as they apply to the Banking companies and guidelines issued by Reserve Bank of India from time to time, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Place: Chennai

Date: 30th January, 2018

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

R.K.KUMAR & CO. CHENNAI Chartered Accountants

(G.Naganathan)
Partner
Membership No.022456