LAKSHMI VILAS BANK

Secretarial Department CIN: L65110TN1926PLC001377

Ref/Sec/205 & 266/190/2016-2017 January 19, 2017

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 Quarter Ended 31.12.2016.

[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, 2016 approved by the Board on 19.01.2017.

The meeting of Board of Directors of the Bank commenced at 11.00 AM and concluded at 02:15 PM.

This is for your information and records.

Thanking You,

Yours faithfully,

THE LAKSHMI VILAS BANK LTD. Secretarial Department Corp. Office, Chennai - 32

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, 2016

(₹ in lakhs)

PARTICULARS	QUARTER-ENDED			NINE MONTHS ENDED		YEAR ENDED
	31-Dec-16 (Reviewed)	30-Sep-16 (Reviewed)	31-Dec-15 (Reviewed)	31-Dec-16 (Reviewed)	31-Dec-15 (Reviewed)	31-Mar-16 (Audited)
1. INTEREST EARNED (a+b+c+d)	72903.78	69839.61	65372.34	211309.80	190197.23	256829.92
(a) Interest/discount on advances/bills	56266.25	56482.91	51722.88	168596.39	150397.84	203826.97
(b) Income on investments	15867.53	13047.06	13103.72	41488.85	38869.64	51940.05
(c) Interest on balances with RBI & Other inter- bank funds	716.00	266.60	44.52	1084.72	261.57	326.84
(d) Others	54.00	43.04	501.22	139.84	668.18	736.06
2. Other Income	15022.38	13189.78	6932.93	37133.27	21201.84	30453.24
3. Total Income (1+2)	87926.16	83029.39	72305.27	248443.07	211399.07	287283.16
4. Interest expended	53842.27	51172.43	48665.09	155825.34	142936.34	192299.34
5. Operating Expenses (I) + (ii)	16939.17	16015.42	13041.53	47047.35	37767.43	54271.41
(I) Employees cost	9122.73	8168.60	6702.97	24930.68	19107.10	27535.20
(ii) Other operating expenses	7816.44	7846.82	6338.56	22116.67	18660.33	26736.21
6. Total Expenditure (excluding provisions and contingencies (4) + (5)	70781.44	67187.85	61706.62	202872.69	180703.77	246570.75
7. Operating Profit before provisions and contingencies (3) - (6)	17144.72	15841.54	10598.65	45570.38	30695.30	40712.41
8. Provisions (other than Tax) and Contingencies	4806.66	6257.00	5791.38	14579.28	14978.97	17688.83
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)	12338.06	9584.54	4807.27	30991.10	15716.33	23023.58
11. Tax expense	4500.00	3100.00	200.00	10600.00	2600.00	5000.00
12. Net Profit/Loss from Ordinary activities after tax (10) - (11)	7838.06	6484.54	4607.27	20391.10	13116.33	18023.58
13. Extra Ordinary items (Net of Tax Expense)	0.00	0.00	0.00	0.00	0.00	0.00
14. Net Profit/Loss for the period (12-13)	7838.06	6484.54	4607.27	20391.10	13116.33	18023.58
15. Paid up equity share capital (Face Value ₹10/-)	17946.16	17946.16	17946.16	17946.16	17946.16	17946.16
16. Reserves excluding revaluation reserves as per balance sheet of previous accounting year	141240.02	141240.02	129851.93	141240.02	129851.93	141240.02
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	10.42	10.29	10.99	10.42	10.99	10.98
(b) Basel - III	10.21	10.10	10.01	10.21	10.01	10.67
iii) Earnings Per Share (EPS)(*Not Annualised)						
(a) Basic EPS - before/after extraordinary items (Not annualised) (₹)	4.37	3.61	2.57	11.36	7.31	10.05
(b) Diluted EPS - before/after extraordinary items (Not annualised) (₹)	4.35	3.60	2.57	11.31	7.31	10.05
iv) NPA RATIOS						
(a) Gross NPA	54859.97	54610.77	33157.31	54859.97	33157.31	39125.00
Net NPA	35422.88	37606.84	14387.34	35422.88	14387.34	23164.13
(b) % of Gross NPA	2.78	2.70	1.82	2.78	1.82	1.97
% of Net NPA	1.82	1.87	0.80	1.82	0.80	1.18
(c) Return on Assets (%) (Annualised)	0.98	0.86	0.70	0.90	0.69	0.70

R.K. KUMAR & CO. CHENNAI Chartered

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

The Lakshmi Vilas Bank Ltd.
Corporate Office :
LVB House, No.4/1, (Old No.33), Sardar Patel Road, Guindy, Chennai - 600 032, Tamil Nadu, India
Phone : +91-44-2220 5316 Email : MDsec@lvbank.in Website : www.lvbank.com

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NOTES:

1	There has been no change in the accounting policies followed by the bank during the quarter/nine months ended December 2016 as compared to those in the preceding financial year ended March 2016.
2	The working results for the quarter/nine months ended 31st December 2016 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's issue for qualified investors (QIP) was opened on 28/12/2016 and closed on 31/12/2016. The Bank received an aggregate amount of Rs.16779.19 lakhs as of 03/01/2017 and equity shares were alloted to eligible investors on 03/01/2017.
4	RBI vide its circular no.DBR.No.BP.BC.94/ 21.04.048/2014-15 dated 21.05.2015 permitted banks to provide for the net shortfall on account of sale of assets to Reconstruction Company over a period of two years. Consequently, Rs.1688.93 lakhs has been charged to the Profit & Loss account for the quarter ended 31st December 2016. The unamortised amount on this account as on 31st December 2016 is Rs.3571.46 lakhs.
5	As permitted by RBI vide its circular RBI/2014-15/535/DBR.No.BP.BC.83/21.04.048/2014-15 dated 01.04.2015, the outstanding balance in fraud accounts relating to advances amounting to Rs.804.06 lakhs, is being provided over a period of four quarters. Consequently, Rs.201.01 lakhs has been charged to profit & Loss account for the quarter ended 31st December 2016. The balance amount to be provided as on 31st December 2016 is Rs.402.03 lakhs.
6	Bank has reported a fraud of Rs.7513.70 lakhs in certain bill transactions in Q2 of current financial year to RBI and the same was disclosed in our notes to Q2 financial results (vide Sl.No.5). The entire amount of the fraud of Rs.7513.70 lakhs together with interrest has been fully recovered during the current quarter. In this context, Reserve Bank of India has imposed a monetary penalty of Rs.300.00 lakhs for contravention of instructions relating to extending bill discounting facilities to non-constituents and walk-in customers, opening and operation of current accounts and non-adherence to KYC norms.
7	Pursuant to RBI Cir.FMRD.DIRD.10/14.03.002/2015-16 dated 19.05.2016, as amended, the Bank has w.e.f 03.10.2016 considered its repo/reverse repo transactions under Liquidity Adjustment Facility (LAF)/ Marginal Standing Facility (MSF) of RBI as borrowings/lendings, as the case may be. Hitherto, the repo/reverse repo transactions were included under investments. The above regrouping has no impact on profit of the bank for the quarter/nine months ended 31/12/2016 or the previous periods.
8	The provision coverage ratio stands at 62.21%.
9	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, Bank has made Pillar 3 disclosures under Basel III capital requirements on its 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.
10	Status of Investor Complaints for the quarter ended 31st December 2016: -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
11	The above financial results have been reviewed by the Audit Committee of the Board in their meeting held on 19th January 2017 and approved by the Board of Directors in their meeting held on 19th January 2017. The same have been subjected to Limited Review by the Statutory Auditors of the Bank and an unqualifed review report has been issued.
12	The figures of the previous periods/year have been regrouped/rearranged, wherever necessary.

Parthasarathi Mukherjee
MD & CEO

Place: Chennai
Date: 19-01-2017

R.K. KUMAR & CO. CHENNAI Chartered Accountants

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

SEGMENT REPORTING - DEC 2016

(Rs. in lakhs)

PART A: BUSINESS SEGMENTS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
PARTICULARS	31-Dec-16	30-Sep-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Mar-16
1. SEGMENT REVENUE	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
a. Treasury operations	26945.69	21247.00	14619.98	63944.46	44506.66	59564.58
b. Corporate/wholesale banking operations	23081.67	23369.10	21660.49	69847.76	63026.94	86019.07
c. Retail banking operations	37659.57	38128.52	35340.79	113962.14	102833.44	140346.90
d. Other banking operations	239.23	284.77	684.01	688.71	1032.03	1352.61
TOTAL	**87926.16**	**83029.39**	**72305.27**	**248443.07**	**211399.07**	**287283.16**
2. SEGMENT RESULTS						
a. Treasury operations	10647.92	7550.89	2265.59	21649.50	7602.45	10188.90
b. Corporate/wholesale Banking operations	2789.68	3449.64	3023.21	10062.97	8721.74	11548.24
c. Retail banking operations	3559.12	4637.93	4692.87	13418.51	13530.15	17898.01
d. Other banking operations	148.00	203.08	616.98	439.40	840.96	1077.26
TOTAL	**17144.72**	**15841.54**	**10598.65**	**45570.38**	**30695.30**	**40712.41**
OPERATING PROFIT	**17144.72**	**15841.54**	**10598.65**	**45570.38**	**30695.30**	**40712.41**
PROVISIONS OTHER THAN TAX	4806.66	6257.00	5791.38	14579.28	14978.97	17688.83
PROFIT BEFORE TAX	**12338.06**	**9584.54**	**4807.27**	**30991.10**	**15716.33**	**23023.58**
Less : Tax expenses	4500.00	3100.00	200.00	10600.00	2600.00	5000.00
NET PROFIT	**7838.06**	**6484.54**	**4607.27**	**20391.10**	**13116.33**	**18023.58**
CAPITAL EMPLOYED						
a. Treasury operations	62005.59	60734.15	52692.89	62005.59	52692.89	53461.12
b. Corporate/wholesale banking operations	30017.62	21948.40	22069.45	30017.62	22069.45	21708.55
c. Retail banking operations	80272.02	56371.57	48856.08	80272.02	48856.08	51468.25
d. Unallocated	24455.28	49858.33	44915.02	24455.28	44915.02	49721.49
	196750.51	**188912.45**	**168533.44**	**196750.51**	**168533.44**	**176359.41**

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

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R.K. KUMAR & CO

CHARTERED ACCOUNTANTS

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

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TEL. : 24349866, 24349867

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 and Nine Months ended 31st December 2016 ("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 102 branches. These reports cover 75.15 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. CHENNAI Chartered Accountants

R.K. KUMAR & CO

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4. *Without qualifying our report, we draw attention to*
   (i) Note No.4 of the unaudited financial statements regarding deferment of loss to the extent of Rs.35.71 Crore on sale of advances to Asset Reconstruction Companies and
   (ii) Note No.5 of the unaudited financial statements regarding deferment of loss to the extent of Rs.4.02 Crore in respect 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: **19th January, 2017**

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

R.K. KUMAR & CO CHENNAI Chartered Accountants

(G.Naganathan)
Partner
Membership No.022456