LAKSHMI VILAS BANK

Secretarial Department CIN: L65110TN1926PLC001377

Ref/Sec/205 & 266/108/2018-2019 July 26, 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 Quarter Ended 30.06.2018.

[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 First Quarter ended 30th June, 2018 approved by the Board on 26.07.2018.

The meeting of Board of Directors of the Bank commenced at 12.00 Noon and concluded at 5:30 PM.

This is for your information and records.

Thanking You,

Yours faithfully,

N Ramanathan
Company Secretary

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

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 ENDED 30TH JUNE, 2018

(₹ in lakhs)

PARTICULARS	QUARTER-ENDED			YEAR ENDED
	30-Jun-18 (Reviewed)	31-Mar-18 (Audited)	30-Jun-17 (Reviewed)	31-Mar-18 (Audited)
1. INTEREST EARNED (a+b+c+d)	72699.12	70262.59	76995.60	304162.17
(a) Interest/discount on advances/bills	55591.05	51415.08	61284.18	233147.02
(b) Income on investments	16923.77	18302.07	15166.39	69305.43
(c) Interest on balances with RBI & Other inter- bank funds	76.45	114.81	507.38	702.93
(d) Others	107.85	430.63	37.65	1006.79
2. Other Income	6051.48	3828.40	15729.70	34680.78
3. Total Income (1+2)	78750.60	74090.99	92725.30	338842.95
4. Interest expended	59678.72	58215.87	55222.85	225102.10
5. Operating Expenses (i) + (ii)	18396.17	22799.71	17589.93	78202.97
(i) Employees cost	9718.89	11492.02	8588.33	39213.36
(ii) Other operating expenses	8677.28	11307.69	9001.60	38989.61
6. Total Expenditure (excluding provisions and contingencies (4) + (5)	78074.89	81015.58	72812.78	303305.07
7. Operating Profit before provisions and contingencies (3) - (6)	675.71	-6924.59	19912.52	35537.88
8. Provisions (other than Tax) and Contingencies	16152.62	92141.54	11200.71	130615.49
9. Exceptional Items	0.00	0.00	0.00	0.00
10.Profit/Loss from ordinary activities before tax (7)-(8)-(9)	-15476.91	-99066.13	8711.81	-95077.61
11. Tax expense	-3090.00	-36841.00	2100.00	-36591.00
12. Net Profit/Loss from Ordinary activities after tax (10) - (11)	-12386.91	-62225.13	6611.81	-58486.61
13. Extra Ordinary items (Net of Tax Expense)	0.00	0.00	0.00	0.00
14. Net Profit/Loss for the period (12-13)	-12386.91	-62225.13	6611.81	-58486.61
15. Paid up equity share capital (Face Value ₹10/-)	25605.36	25599.38	19180.67	25599.38
16. Reserves excluding revaluation reserves as per balance sheet of previous accounting year	190442.03	190442.03	177540.18	190442.03
17. Analytical Ratios				
i) Percentage of shares held by Govt. of India	NIL	NIL	NIL	NIL
ii) Capital Adequacy Ratio (%) - Basel - III	9.45	9.81	11.67	9.81
iii) Earnings Per Share (EPS)(*Not Annualised)				
(a) Basic EPS - before/after extraordinary items (*Not annualised) (₹)	* (4.84)	* (24.65)	* 3.45	(28.29)
(b) Diluted EPS - before/after extraordinary items (*Not annualised) (₹)	* (4.82)	* (24.52)	* 3.42	(28.11)
iv) NPA RATIOS				
(a) Gross NPA	280471.94	269421.15	87815.78	269421.15
Net NPA	147808.90	145788.98	65363.93	145788.98
(b) % of Gross NPA	10.73	9.98	3.78	9.98
% of Net NPA	5.96	5.66	2.84	5.66
(c) Return on Assets (%) (Annualised)	-1.25	-6.22	0.74	-1.57

R.K. KUMAR & CO. CHENNAI Chartered Accountants

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

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NOTES:

1	The above financial results have been reviewed by the Audit Committee of the Board in their meeting held on 26th July 2018 and approved by the Board of Directors in their meeting held on 26th July 2018. The same have been subjected to Limited Review by the Statutory Auditors of the Bank and a modified review report has been issued.
2	The working results for the quarter ended 30th June 2018 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	There has been no change in the accounting policies followed by the bank during the quarter ended June 2018 as compared to those in the preceding financial year ended March 2018.
4	A sum of Rs.19.16 crore being the Rights Issue expenditure incurred in the Financial Year 2017-18 and kept in Sundry Assets account was, on approval, appropriated to Share Premium account.
5	The figures for the quarter ended 31st March 2018 as reported in these financial results are the balancing figures in respect of full financial year-audited and the published year-to-date figures reviewed up to the end of the third quarter of the relevant financial year.
6	In the audited financial statement for 2017-18, it has been reported that the advances of the bank (net of provisions) was Rs.25768.00 Crores after the adjustment of third party deposits amounting Rs.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. 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 opinions received by the bank, the adjustment of deposits against loans are lawful. Now, M/s.Religare Finvest Ltd has filed a suit 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. As such the matter is sub-judice.
7	a) The bank had spread the provisioning for MTM losses on the investments held in AFS and HFT categories for the quarter ended 31.03.2018 equally over four quarters commencing from the quarter ended 31.03.2018 as permitted by RBI vide circular DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018. Bank has provided Rs.32.76 crore for depreciation of the investment portfolio for the quarter ended June 2018. The balance amounting to Rs.65.53 crore will be provided in the ensuing two quarters. b) RBI vide circular DBR.No.BP.BC.113/21.04.048/2017-18 dated June 15, 2018 has permitted banks to spread the provisioning for mark to market (MTM) losses on investments held in AFS and HFT for the quarter ended June 30, 2018 equally over four quarters, commencing with the quarter ending June 30, 2018. Accordingly, Bank has provided Rs.14.25 crore for depreciation of the investment portfolio for the quarter ended June 2018. The balance amounting to Rs.42.76 crore will be provided in the ensuing three quarters.
8	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 30th June, 2018 recognises the 1/4th of impact of this change amounting to ₹3.75 crore. The unamortised amount on this account stood at ₹7.52 crore as on 30.06.2018 and will be spread over the next two quarters, as permitted by RBI vide DBR.BP.9730/21.04.018/2017-18 dated 27.04.2018.
9	The provision coverage ratio as at 30th June 2018 stood at 55.80%.
10	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.
11	During the quarter ended 30th June 2018, the Bank had allotted 59,845 shares pursuant to the exercise of employees' stock option.
12	Status of Investor Complaints for the quarter ended 30th June 2018:
	-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
13	The figures of the previous periods/year have been regrouped/reclassified, wherever necessary to conform to current period/ year classification.

Place: Chennai
Date: 26-07-2018

P. Mukherjee
MD & CEO

R.K. KUMAR & CO. CHENNAI Chartered Accountants

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

LAKSHMI VILAS BANK

Corporate Office, "LVB HOUSE", No.4 Sardar Patel Road, Guindy, Chennai 600 032

SEGMENT REPORTING - JUNE 2018

(Rs. in lakh)

PART A: BUSINESS SEGMENTS	QUARTER ENDED			YEAR ENDED
PARTICULARS	30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
1. SEGMENT REVENUE	(Reviewed)	(Audited)	(Reviewed)	(Audited)
a. Treasury operations	15644.58	15513.24	26107.72	77996.44
b. Corporate/wholesale banking operations	18869.39	1215.16	25253.67	77630.06
c. Retail banking operations	44028.57	56459.86	41203.36	181136.80
d. Other banking operations	208.06	902.73	160.55	2079.65
TOTAL	**78750.60**	**74090.99**	**92725.30**	**338842.95**
2. SEGMENT RESULTS				
a. Treasury operations	-8.54	-565.90	12015.12	14321.46
b. Corporate/wholesale Banking operations	172.01	-5476.42	3385.70	5858.67
c. Retail banking operations	401.37	-1670.07	4437.03	13670.24
d. Other banking operations	110.87	787.80	74.67	1687.51
TOTAL	**675.71**	**-6924.59**	**19912.52**	**35537.88**
OPERATING PROFIT	**675.71**	**-6924.59**	**19912.52**	**35537.88**
PROVISIONS OTHER THAN TAX	16152.62	92141.54	11200.71	130615.49
PROFIT BEFORE TAX	**-15476.91**	**-99066.13**	**8711.81**	**-95077.61**
Less : Tax expenses	-3090.00	-36841.00	2100.00	-36591.00
NET PROFIT / LOSS	**-12386.91**	**-62225.13**	**6611.81**	**-58486.61**
3. SEGMENT ASSETS				
a. Treasury operations	991985.09	1130812.72	808735.70	1130812.72
b. Corporate / Wholesale banking operations	757646.50	835859.23	725513.38	835859.23
c. Retail banking operations	1924104.85	1914900.24	1734811.57	1914900.24
d. Unallocated Assets	167009.36	161350.41	104643.42	161350.41
TOTAL	**3840745.80**	**4042922.60**	**3373704.07**	**4042922.60**
4. SEGMENT LIABILITIES				
a. Treasury operations	978646.01	1070308.30	784197.75	1070308.30
b. Corporate/wholesale banking operations	697529.16	817004.32	691870.89	817004.32
c. Retail banking operations	1900892.73	1875932.54	1625723.36	1875932.54
d. Unallocated liabilities	45161.83	46910.61	49044.70	46910.61
TOTAL	**3622229.73**	**3810155.77**	**3150836.70**	**3810155.77**
CAPITAL EMPLOYED (Segment Assets - Segment Liabilities)				
a. Treasury operations	13339.08	60504.42	24537.95	60504.42
b. Corporate/wholesale banking operations	60117.34	18854.91	33642.49	18854.91
c. Retail banking operations	23212.12	38967.70	109088.21	38967.70
d. Unallocated	121847.53	114439.80	55598.72	114439.80
TOTAL	**218516.07**	**232766.83**	**222867.37**	**232766.83**

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

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

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TEL. : 24349866, 24349867

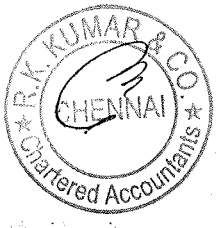
Independent Auditor's Review Report on Review of Interim Financial Results

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 ended 30th June 2018 ("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 52.34 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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Basis for Qualified Conclusion

4. *We draw attention to Note No. 6 forming part of the unaudited financial results, regarding a suit filed against the bank by a depositor for adjusting its deposit of Rs.794 Crore against certain loans due to the bank. The matter is sub judice. We are unable to comment on the possible impact, if any on the financial results.*

Qualified conclusion

5. *Except for the possible effect, if any, of the matter described in the 'Basis for Qualified conclusion' paragraph, b*ased 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.

Emphasis of Matter

6. We draw attention to:

   (i) Note Nos. 7 (a) & (b) forming part of the unaudited financial results, regarding deferment of provision for Mark to Market (MTM) losses on Investments of Rs. 108.29 Crore; and

   (ii) Note No. 8 forming part of the unaudited financial results, regarding deferment of Gratuity provision of Rs. 7.52 Crore;

Our conclusion is not qualified in respect of these matters.

Place: Chennai

Date: 26th July, 2018

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

(G. Naganathan)
Partner
Membership No.022456

R.K. KUMAR & CO. CHENNAI Chartered Accountants