# LAKSHMI VILAS BANK

Secretarial Department CIN: L65110TN1926PLC001377

Ref/Sec/205 & 266/189/2017-2018 October 11, 2017

| | |
|---|---|
| **The General Manager**<br>Department of Corporate Services<br>**National Stock Exchange of India**<br>Exchange Plaza, C-1-Block G<br>Bandra Kurla Complex, Bandra-E<br>Mumbai - 400 051<br>Company Symbol: LAKSHVILAS | **The General Manager**<br>Department of Corporate Services<br>**BSE Limited**<br>Listing Department<br>Phiroze Jeejeeboy Tower<br>Dalal Street, Fort Mumbai - 400 001<br>Scrip Code: 534690 |

Dear Sir,

**Sub: Unaudited Financial Results for the Second Quarter Ended 30.09.2017.**

*[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 Second Quarter ended 30th September, 2017 approved by the Board on 11th October 2017.

The meeting of Board of Directors of the Bank commenced at 11:30 AM and concluded at 3:00 PM.

This is for your information and records.

Thanking You,

Yours faithfully,

THE LAKSHMI VILAS BANK LTD. Secretarial Department

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/SIX MONTHS ENDED 30TH SEPTEMBER, 2017**

(₹ in lakhs)

| PARTICULARS | QUARTER-ENDED | | | HALF-YEAR ENDED | | YEAR ENDED |
|---|---|---|---|---|---|---|
| | 30-Sep-17 (Reviewed) | 30-Jun-17 (Reviewed) | 30-Sep-16 (Reviewed) | 30-Sep-17 (Reviewed) | 30-Sep-16 (Reviewed) | 31-Mar-17 (Audited) |
| 1. INTEREST EARNED (a+b+c+d) | 77887.22 | 76995.60 | 69839.61 | 154882.82 | 138406.02 | 284665.75 |
| (a) Interest/discount on advances/bills | 61307.55 | 61284.18 | 56482.91 | 122591.73 | 112330.14 | 223971.04 |
| (b) Income on investments | 16384.48 | 15166.39 | 13047.06 | 31550.87 | 25621.32 | 57759.37 |
| (c) Interest on balances with RBI & Other inter- bank funds | 40.60 | 507.38 | 266.60 | 547.98 | 368.72 | 1228.33 |
| (d) Others | 154.59 | 37.65 | 43.04 | 192.24 | 85.84 | 1707.01 |
| 2. Other Income | 12388.37 | 15729.70 | 13189.78 | 28118.07 | 22110.89 | 50276.78 |
| 3. Total Income (1+2) | 90275.59 | 92725.30 | 83029.39 | 183000.89 | 160516.91 | 334942.53 |
| 4. Interest expended | 54613.40 | 55222.85 | 51172.43 | 109836.26 | 101983.07 | 206400.36 |
| 5. Operating Expenses (I) + (ii) | 17724.05 | 17589.93 | 16015.42 | 35313.97 | 30108.18 | 65136.59 |
| (I) Employees cost | 9068.94 | 8588.33 | 8168.60 | 17657.26 | 15807.95 | 33470.89 |
| (ii) Other operating expenses | 8655.11 | 9001.60 | 7846.82 | 17656.71 | 14300.23 | 31665.70 |
| 6. Total Expenditure (excluding provisions and contingencies (4) + (5) | 72337.45 | 72812.78 | 67187.85 | 145150.23 | 132091.25 | 271536.95 |
| 7. Operating Profit before provisions and contingencies (3) - (6) | 17938.14 | 19912.52 | 15841.54 | 37850.66 | 28425.66 | 63405.58 |
| 8. Provisions (other than Tax) and Contingencies | 18738.03 | 11200.71 | 6257.00 | 29938.74 | 9772.62 | 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) | -799.89 | 8711.81 | 9584.54 | 7911.92 | 18653.04 | 38007.21 |
| 11. Tax expense | -1850.00 | 2100.00 | 3100.00 | 250.00 | 6100.00 | 12400.00 |
| 12. Net Profit/Loss from Ordinary activities after tax (10) - (11) | 1050.11 | 6611.81 | 6484.54 | 7661.92 | 12553.04 | 25607.21 |
| 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) | 1050.11 | 6611.81 | 6484.54 | 7661.92 | 12553.04 | 25607.21 |
| 15. Paid up equity share capital (Face Value ₹10/-) | 19180.67 | 19180.67 | 17946.16 | 19180.67 | 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 | 10.67 | 11.78 | 10.29 | 10.67 | 10.29 | 10.48 |
| (b) Basel - III | 10.57 | 11.67 | 10.10 | 10.57 | 10.10 | 10.38 |
| iii) Earnings Per Share (EPS)(*Not Annualised) | | | | | | |
| (a) Basic EPS - before/after extraordinary items (Not annuallsed) (₹) | 0.55 | 3.45 | 3.61 | 4.00 | 6.99 | 14.07 |
| (b) Diluted EPS - before/after extraordinary items (Not annualised) (₹) | 0.54 | 3.42 | 3.60 | 3.96 | 6.97 | 13.95 |
| iv) NPA RATIOS | | | | | | |
| (a) Gross NPA | 127765.66 | 87815.78 | 54610.77 | 127765.66 | 54610.77 | 64019.43 |
| Net NPA | 99322.57 | 65363.93 | 37606.84 | 99322.57 | 37606.84 | 41841.59 |
| (b) % of Gross NPA | 5.50 | 3.78 | 2.70 | 5.50 | 2.70 | 2.67 |
| % of Net NPA | 4.33 | 2.84 | 1.87 | 4.33 | 1.87 | 1.76 |
| (c) Return on Assets (%) (Annualised) | 0.12 | 0.74 | 0.86 | 0.43 | 0.85 | 0.83 |

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**
**(Regd. Office: Salem Road, Kathaparai, Karur - 639 006)**

*NOTES:*

| | |
|---|---|
| 1 | There has been no change in the accounting policies followed by the bank during the quarter ended September 2017 as compared to those in the preceding financial year ended March 2017. |
| 2 | The working results for the quarter ended 30th September 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 | 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 30th September, 2017 by corresponding reversal of the proportionate debit made earlier to Revenue and Other Reserves. The unamortised amount of Rs.8.13 crore will be amortised in the subsequent quarters. |
| 4 | 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.26.55 crore has been charged to the profit & loss account for the quarter ended 30th September 2017. The unamortised amount of Rs.68.49 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 |
| 5 | 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 ended 30/09/2017 or the previous periods. |
| 6 | 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. |
| 7 | Status of Investor Complaints for the quarter ended 30th September 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 |
| 8 | The above financial results have been reviewed by the Audit Committee of the Board in their meeting held on 11th October 2017 and approved by the Board of Directors in their meeting held on 11th October 2017. The same have been subjected to Limited Review by the Statutory Auditors of the Bank and an unqualified review report has been issued. |
| 9 | The figures of the previous periods/year have been regrouped/reclassified, wherever necessary to conform to current period/ year classification. |

P. Mukherjee
MD & CEO

Place: Chennai
Date: 11-10-2017

R.K. KUMAR & CO. Chartered Accountants

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

**THE LAKSHMI VILAS BANK LIMITED**

Statement of Assets & Liabilities of the bank as on 30/09/2017 (₹ in lakhs)

| | | | |
|---|---|---|---|
| I. CAPITAL & LIABILITIES | AS AT 30-SEP-2017 | AS AT 30-SEP-2016 | AS AT 31-MAR-2017 |
| a. Capital | 19180.68 | 17946.16 | 19144.67 |
| b. Reserves & Surplus | 193724.80 | 171139.01 | 194489.50 |
| c. Deposits | 2917110.80 | 2668014.07 | 3055335.35 |
| d. Borrowings | 509784.68 | 66820.00 | 177313.21 |
| e. Other Liabilities & Provisions | 75257.77 | 66339.29 | 78189.32 |
| TOTAL | **3715058.73** | **2990258.53** | **3524472.05** |
| II. ASSETS | | | |
| a. Cash & Balances with Reserve Bank of India | 161248.84 | 137521.24 | 145480.48 |
| b. Balances with Banks and Money at Call & Short Notice | 6406.87 | 20040.42 | 16907.17 |
| c. Investments | 1121512.98 | 722619.16 | 865173.03 |
| d. Advances | 2292649.22 | 2006916.40 | 2372891.14 |
| e. Fixed Assets | 40136.13 | 37258.92 | 35911.90 |
| f. Other Assets | 93104.69 | 65902.39 | 88108.33 |
| TOTAL | **3715058.73** | **2990258.53** | **3524472.05** |

R.K. KUMAR & CO. CHENNAI Chartered Accountants

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

# SEGMENT REPORTING - SEP 2017

(Rs. in lakhs)

| PART A: BUSINESS SEGMENTS | QUARTER ENDED | | | HALF YEAR ENDED | | YEAR ENDED |
|---|---|---|---|---|---|---|
| PARTICULARS | 30-Sep-17 | 30-Jun-17 | 30-Sep-16 | 30-Sep-17 | 30-Sep-16 | 31-Mar-17 |
| 1. SEGMENT REVENUE | (Reviewed) | (Reviewed) | (Reviewed) | (Reviewed) | (Reviewed) | (Audited) |
| a. Treasury operations | 20314.28 | 26107.72 | 21247.00 | 46422.00 | 36998.77 | 86631.42 |
| b. Corporate/wholesale banking operations | 26433.57 | 25253.67 | 23369.10 | 51687.24 | 46766.09 | 93322.04 |
| c. Retail banking operations | 43128.46 | 41203.36 | 38128.52 | 84331.82 | 76302.57 | 152262.28 |
| d. Other banking operations | 399.29 | 160.55 | 284.77 | 559.84 | 449.48 | 2726.79 |
| TOTAL | 90275.60 | 92725.30 | 83029.39 | 183000.90 | 160516.91 | 334942.53 |
| 2. SEGMENT RESULTS | | | | | | |
| a. Treasury operations | 5248.67 | 12015.12 | 7550.89 | 17263.79 | 11001.58 | 31042.48 |
| b. Corporate/wholesale Banking operations | 5101.98 | 3385.70 | 3449.64 | 8487.68 | 7273.29 | 12903.61 |
| c. Retail banking operations | 7278.89 | 4437.03 | 4637.92 | 11715.92 | 9859.39 | 17067.40 |
| d. Other banking operations | 308.60 | 74.67 | 203.08 | 383.27 | 291.40 | 2392.08 |
| TOTAL | 17938.14 | 19912.52 | 15841.54 | 37850.66 | 28425.66 | 63405.58 |
| OPERATING PROFIT | 17938.14 | 19912.52 | 15841.54 | 37850.66 | 28425.66 | 63405.58 |
| PROVISIONS OTHER THAN TAX | 18738.03 | 11200.71 | 6257.00 | 29938.74 | 9772.62 | 25398.37 |
| PROFIT BEFORE TAX | -799.89 | 8711.81 | 9584.54 | 7911.92 | 18653.04 | 38007.21 |
| Less : Tax expenses | -1850.00 | 2100.00 | 3100.00 | 250.00 | 6100.00 | 12400.00 |
| NET PROFIT | 1050.11 | 6611.81 | 6484.54 | 7661.92 | 12553.04 | 25607.21 |
| | | | | | | |
| CAPITAL EMPLOYED | | | | | | |
| a. Treasury operations | 21117.97 | 24537.95 | 60880.38 | 21117.97 | 60880.38 | 10331.12 |
| b. Corporate/wholesale banking operations | 42135.16 | 33642.49 | 22079.53 | 42135.16 | 22079.53 | 31547.64 |
| c. Retail banking operations | 87506.59 | 109088.21 | 56707.04 | 87506.59 | 56707.04 | 117979.67 |
| d. Unallocated | 62145.76 | 55598.72 | 49418.22 | 62145.76 | 49418.22 | 53775.73 |
| | 212905.48 | 222867.37 | 189085.17 | 212905.48 | 189085.17 | 213634.16 |

**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

# 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/SIX MONTHS ENDED 30TH SEPTEMBER, 2017**

(₹ in lakhs)

| PARTICULARS | QUARTER ENDED | SIX MONTHS ENDED | QUARTER ENDED |
|---|---|---|---|
| | 30-Sep-17 (Reviewed) | 30-Sep-17 (Reviewed) | 30-Sep-16 (Reviewed) |
| Total income from operations (net) | 90275.59 | 183000.89 | 83029.39 |
| Net Profit/Loss from Ordinary activities after tax | 1050.11 | 7661.92 | 6484.54 |
| Net Profit/Loss for the period after tax (after extraordinary items) | 1050.11 | 7661.92 | 6484.54 |
| Equity share capital (Face Value ₹10/-) | 19180.67 | 19180.67 | 17946.16 |
| Reserves (excluding revaluation reserves as shown in the balance sheet of previous year) | 177540.18 | 177540.18 | 141240.02 |
| Earnings Per Share (before extraordinary items) (of ₹10/- each) | | | |
| Basic: | 0.55 | 4.00 | 3.61 |
| Diluted: | 0.54 | 3.96 | 3.60 |
| Earnings Per Share (after extraordinary items) (of ₹10/- each) | | | |
| Basic: | 0.55 | 4.00 | 3.61 |
| Diluted: | 0.54 | 3.96 | 3.60 |

Note:

1. The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Stock Exchange websites. (BSE:http://www.bseindia.com, NSE:http://www.nseindia.com, Bank Website: http://www.lvbank.com)

2. Information relating to Total Comprehensive Income and Other Comprehensive Income are not furnished as Ind AS is not yet made applicable to banks.

Place: Chennai
Date: 11.10.2017

P. Mukherjee
MD & CEO

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.

E-mail : rkkco@dataone.in FAX : 91-44-24349857

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 / six months ended 30th September 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 103 branches. These reports cover 72.52 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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TEL. : 24349866, 24349867


4. Without qualifying our report, we draw attention to:

   (i) Note No.3 of the unaudited financial statements regarding deferment of loss to the extent of Rs.8.13 Crore on sale of advances to Asset Reconstruction Companies and

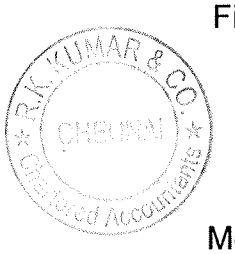
   (ii) Note No.4 of the unaudited financial statements regarding deferment of loss to the extent of Rs.68.49 Crore in respect frauds.

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: 11th October, 2017

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




(G.Naganathan)
Partner
Membership No.022456