LAKSHMI VILAS BANK

Secretarial Department CIN: L65110TN1926PLC001377

Ref/Sec/205 & 266/133/2016-2017 October 17, 2016

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 30.09.2016.

[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 Second Quarter ended 30th September, 2016 approved by the Board on 17.10.2016 for your records.

Thanking You,

Yours faithfully,

N.Ramanathan
Company Secretary

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

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, 2016

(₹ in lakhs)

PARTICULARS	QUARTER-ENDED			HALF-YEAR ENDED		YEAR ENDED
	30-Sep-16 (Reviewed)	30-Jun-16 (Reviewed)	30-Sep-15 (Reviewed)	30-Sep-16 (Reviewed)	30-Sep-15 (Reviewed)	31-Mar-16 (Audited)
1. INTEREST EARNED (a+b+c+d)	69839.61	68566.41	63416.14	138406.02	124824.89	256829.92
(a) Interest/discount on advances/bills	56482.91	55847.23	50119.54	112330.14	98674.96	203826.97
(b) Income on investments	13047.06	12574.26	13153.01	25621.32	25765.92	51940.05
(c) Interest on balances with RBI & Other inter- bank funds	266.60	102.12	62.12	368.72	217.05	326.84
(d) Others	43.04	42.80	81.47	85.84	166.96	736.06
2. Other Income	13189.78	8921.11	6371.91	22110.89	14268.91	30453.24
3. Total Income (1+2)	83029.39	77487.52	69788.05	160516.91	139093.80	287283.16
4. Interest expended	51172.43	50810.64	47385.98	101983.07	94271.24	192299.34
5. Operating Expenses (i) + (ii)	16015.42	14092.76	13061.58	30108.18	24725.91	54271.41
(i) Employees cost	8168.60	7639.35	6349.48	15807.95	12404.14	27535.20
(ii) Other operating expenses	7846.82	6453.41	6712.10	14300.23	12321.77	26736.21
6. Total Expenditure (excluding provisions and contingencies (4) + (5)	67187.85	64903.40	60447.56	132091.25	118997.15	246570.75
7. Operating Profit before provisions and contingencies (3) - (6)	15841.54	12584.12	9340.49	28425.66	20096.65	40712.41
8. Provisions (other than Tax) and Contingencies	6257.00	3515.62	3357.02	9772.62	9187.58	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)	9584.54	9068.50	5983.47	18653.04	10909.06	23023.58
11. Tax expense	3100.00	3000.00	1500.00	6100.00	2400.00	5000.00
12. Net Profit/Loss from Ordinary activities after tax (10) - (11)	6484.54	6068.50	4483.47	12553.04	8509.06	18023.58
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)	6484.54	6068.50	4483.47	12553.04	8509.06	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	10.29	10.76	11.29	10.29	11.29	10.98
(b) Basel - III	10.10	10.52	10.26	10.10	10.26	10.67
iii) Earnings Per Share (EPS)(*Not Annualised)						
(a) Basic EPS - before/after extraordinary items (Not annualised) (₹)	3.61	3.38	2.50	6.99	4.75	10.05
(b) Diluted EPS - before/after extraordinary items (Not annualised) (₹)	3.60	3.37	2.50	6.97	4.75	10.05
iv) NPA RATIOS						
(a) Gross NPA	54610.77	43190.57	33180.00	54610.77	33180.00	39125.00
Net NPA	37606.84	26021.28	17561.90	37606.84	17561.90	23164.13
(b) % of Gross NPA	2.70	2.14	1.89	2.70	1.89	1.97
% of Net NPA	1.87	1.30	1.01	1.87	1.01	1.18
(c) Return on Assets (%) (Annualised)	0.86	0.84	0.71	0.85	0.68	0.70

For R.K. KUMAR & Co.
Chartered Accountants
FIRM Regn. No: 001595S

(B.R. ASHOK)
Partner - Mem. No: 023313

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 2016 as compared to those in the preceding financial year ended March 2016.
2	The working results for the quarter ended 30th September 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	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.20.72 Crore has been charged to the Profit & Loss account for the quarter ended 30th September 2016. The unamortised amount on this account as on 30th September 2016 is Rs.52.60 crore.
4	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.8.04 crore, is being provided over a period of four quarters. Consequently, Rs.2.01 crore has been charged to profit & Loss account for the quarter ended 30th September 2016. The balance amount to be provided as on 30th September 2016 is Rs.6.03 crore.
5	Pending finality to the show-cause notice issued by the Reserve Bank of India for certain violations including delay in reporting of certain fraudulent Bill transactions, the Bank based on the reply given to RBI explaining that there is no delay has made the provision in terms of their Master Direction on Frauds-No.DBS.CO.CFMC.BC.NO.1/23.04.001/2016-17 dated July 1, 2016, of spreading over a period of 4 quarters. Accordingly, the bank has provided Rs.18.78 crore and the unamortised amount of provision being carried forward as at 30th September 2016 is Rs.56.35 crore. In the event of an adverse outcome to the show-cause notice, the net of tax impact on the net profit would be Rs.36.85 crore.
6	The provision coverage ratio stands at 59.87%.
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, 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.
8	Status of Investor Complaints for the quarter ended 30th September 2016: -Complaints pending at the beginning of the Quarter : Nil -Complaints received during the Quarter : 1 -Complaints disposed during the Quarter: 1 -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 17th October 2016 and approved by the Board of Directors in their meeting held on 17th October 2016 . The same have been subjected to Limited Review by the Statutory Auditors of the Bank, in line with the guidelines issued by the Reserve Bank of India and as per the requirement of listing agreement with Stock exchanges.
10	The figures of the previous periods/year have been regrouped/rearranged, wherever necessary.

Parthasarathi Mukherjee
MD & CEO

Place: Chennai
Date: 17-10-2016

For R.K. KUMAR & Co.
Chartered Accountants
FIRM Regn. No: 001595S

(B.R. ASHOK)
Partner - Mem. No: 023313

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

SEGMENT REPORTING - SEP 2016

(Rs. in lakhs)

PART A: BUSINESS SEGMENTS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
PARTICULARS	30-Sep-16	30-Jun-16	30-Sep-15	30-Sep-16	30-Sep-15	31-Mar-16
1. SEGMENT REVENUE	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
a. Treasury operations	21247.00	15751.77	14431.97	36998.77	30053.64	59564.58
b. Corporate/wholesale banking operations	23369.10	23397.00	20987.77	46766.09	41366.46	86019.07
c. Retail banking operations	38128.52	38174.04	34243.19	76302.57	67492.64	140346.90
d. Other banking operations	284.77	164.71	125.12	449.48	181.06	1352.61
TOTAL	**83029.39**	**77487.52**	**69788.05**	**160516.91**	**139093.80**	**287283.16**
2. SEGMENT RESULTS						
a. Treasury operations	7550.89	3450.68	1840.50	11001.58	5336.86	10188.90
b. Corporate/wholesale Banking operations	3449.64	3823.65	2883.13	7273.29	5698.53	11548.24
c. Retail banking operations	4637.92	5221.47	4476.78	9859.39	8837.28	17898.01
d. Other banking operations	203.08	88.32	140.08	291.40	223.98	1077.26
TOTAL	**15841.54**	**12584.12**	**9340.49**	**28425.66**	**20096.65**	**40712.41**
OPERATING PROFIT	**15841.54**	**12584.12**	**9340.49**	**28425.66**	**20096.65**	**40712.41**
PROVISIONS OTHER THAN TAX	6257.00	3515.62	3357.02	9772.62	9187.59	17688.83
PROFIT BEFORE TAX	**9584.54**	**9068.50**	**5983.47**	**18653.04**	**10909.06**	**23023.58**
Less : Tax expenses	3100.00	3000.00	1500.00	6100.00	2400.00	5000.00
NET PROFIT	**6484.54**	**6068.50**	**4483.47**	**12553.04**	**8509.06**	**18023.58**
CAPITAL EMPLOYED						
a. Treasury operations	60734.15	54600.87	54041.27	60734.15	54041.27	53461.12
b. Corporate/wholesale banking operations	21948.40	20415.01	17285.47	21948.40	17285.47	21708.55
c. Retail banking operations	56371.57	53010.77	44049.18	56371.57	44049.18	51468.25
d. Unallocated	49858.33	54401.26	48550.25	49858.33	48550.25	49721.49
	188912.45	**182427.91**	**163926.17**	**188912.45**	**163926.17**	**176359.41**

For R.K. KUMAR & Co.
Chartered Accountants
FIRM Regn. No: 001595S

(B.R. ASHOK)
Partner - Mem. No: 023313

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

THE LAKSHMI VILAS BANK LIMITED

Statement of Assets & Liabilities of the bank as on 30/09/2016 (₹ in lakhs)

I. CAPITAL & LIABILITIES	AS AT 30-SEP-2016	AS AT 30-SEP-2015	AS AT 31-MAR-2016
a. Capital	17946.16	17946.16	17946.16
b. Reserves & Surplus	170966.28	145980.01	158413.25
c. Deposits	2668014.07	2344531.99	2543096.15
d. Borrowings	66820.00	59820.00	72300.78
e. Other Liabilities & Provisions	73043.04	64995.56	81459.92
TOTAL	**2996789.55**	**2633273.72**	**2873216.26**
II. ASSETS			
a. Cash & Balances with Reserve Bank of India	137521.24	118860.25	128650.22
b. Balances with Banks and Money at Call & Short Notice	20040.42	5669.37	8210.91
c. Investments	722619.16	664983.45	654540.46
d. Advances	2006916.40	1740221.80	1964373.90
e. Fixed Assets	37258.92	25720.52	36699.87
f. Other Assets	72433.41	77818.33	80740.90
TOTAL	**2996789.55**	**2633273.72**	**2873216.26**

For R.K. KUMAR & Co.
Chartered Accountants
FIRM Regn. No: 001595S

(B.R. ASHOK)
Partner-Mem. No: 023313

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

R.K.KUMAR & CO
CHARTERED ACCOUNTANTS

ROOM NO.101-106, 2ND FLOOR, CONGRESS BUILDING, 573, ANNA SALAI, CHENNAI - 600 006

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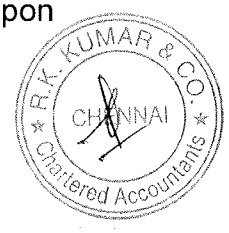
Independent Auditor's Review Report on Review of Interim Financial Results

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 and half year ended 30th September 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 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, guidelines issued by the Reserve Bank of India 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 review reports received from concurrent auditors of 102 branches. These reports cover 74.74 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

ROOM NO.101-106, 2ND FLOOR, CONGRESS BUILDING, 573, ANNA SALAI, CHENNAI - 600 006

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FAX : 91-44-24349857

E-mail : rkkco@dataone.in
info@rkkumar.in

4. Attention is drawn to
   (i) Note No.3 of the unaudited financial statements regarding deferment of loss to the extent of Rs.52.60 Crore on sale of advances to Asset Reconstruction Companies
   (ii) Note No.4 of the unaudited financial statements regarding deferment of loss to the extent of Rs.6.03 Crore in respect frauds.

   Our conclusion is not modified in respect of this matter.

5. *Attention is also drawn to Note No.5 with respect to fraudulent bill transactions wherein 25% provision has been made by the bank pending finality to the show cause notice issued by RBI alleging delay in reporting of the above said transaction.*

6. Based on our review conducted as above and except for the possible effect of the matter commented in para 5 above on the profits of the Bank, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable Accounting Standards and other recognized accounting practices and policies 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 that it 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: 17th October, 2016

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

(B.R.Ashok)
Partner
Membership No.023313