



LAKSHMI VILAS BANK

Secretarial Department

CIN: L65110TN1926PLC001377

Ref/Sec/205 & 266/42/2019-2020

November 09, 2019

<p>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</p>	<p>The General Manager Department of Corporate Services BSE Limited Listing Department Phiroze Jeejeeboy Tower Dalal Street, Fort Mumbai - 400 001 Scrip Code: 534690</p>
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Dear Sir,

Sub: Unaudited Financial Results for the Quarter Ended 30.09.2019.

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

Please find enclosed the Un-Audited Financial Results and Limited Review Report of the Bank for the Second Quarter ended 30th September, 2019 approved by the Board on 09.11.2019.

The meeting of Board of Directors of the Bank commenced at 12:00 Noon and concluded at 03:00 PM.

This is for your information and records.

Thanking You,

Yours faithfully,
For The Lakshmi Vilas Bank Limited


N Ramanathan
Company Secretary



Encl: A/a

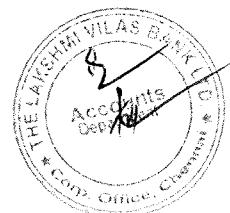
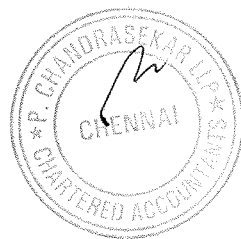


LAKSHMI VILAS BANK

Corporate Office, "LVB HOUSE", No.4 Sardar Patel Road, Guindy, Chennai 600 032
 (Regd. Office: Salem Road, Kathapara, Karur - 639 006)
 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/SIX MONTHS ENDED 30TH SEPTEMBER, 2019

(₹ in lakhs)

PARTICULARS	QUARTER-ENDED			HALF-YEAR ENDED		YEAR ENDED
	30-Sep-19 (Reviewed)	30-Jun-19 (Reviewed)	30-Sep-18 (Reviewed)	30-Sep-19 (Reviewed)	30-Sep-18 (Reviewed)	31-Mar-19 (Audited)
1. INTEREST EARNED (a+b+c+d)	60733.10	62394.87	72929.31	123127.97	145628.42	283989.39
(a) Interest/discount on advances/bills	44652.01	46740.28	56282.49	91392.29	111873.53	216315.27
(b) Income on investments	14687.82	15361.30	16345.21	30049.12	33268.98	66634.80
(c) Interest on balances with RBI & Other inter- bank funds	1178.80	221.93	203.06	1400.73	279.51	684.93
(d) Others	214.47	71.36	98.55	285.83	206.40	354.39
2. Other Income	5800.00	5322.23	7120.95	11122.23	13172.44	25031.79
3. Total Income (1+2)	66533.10	67717.10	80050.26	134250.20	158800.86	309021.18
4. Interest expended	49765.81	50037.81	57834.15	99803.62	117512.87	227975.13
5. Operating Expenses (I) + (II)	20804.01	20234.43	19459.40	41038.43	37855.58	82242.66
(I) Employees cost	10470.88	10272.58	8202.02	20743.46	17920.91	40166.07
(II) Other operating expenses	10333.13	9961.85	11257.38	20294.97	19934.67	42076.59
6. Total Expenditure (excluding provisions and contingencies (4) + (5))	70569.82	70272.24	77293.55	140842.05	155368.45	310217.79
7. Operating Profit before provisions and contingencies (3) - (6)	-4036.71	-2555.14	2756.71	-6591.85	3432.41	-1196.61
8. Provisions (other than Tax) and Contingencies	31680.80	21170.02	20487.41	52850.82	36640.02	127656.17
of which provisions for NPA & Diminution value of all restructured a/cs	30306.93	15461.65	14605.38	45768.59	25312.94	86813.36
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)	-35717.51	-23725.16	-17730.70	-59442.67	-33207.61	-128852.78
11. Tax expense	0.00	0.00	-4500.00	0.00	-7590.00	-39443.07
12. Net Profit/Loss from Ordinary activities after tax (10) - (11)	-35717.51	-23725.16	-13230.70	-59442.67	-25617.61	-89409.71
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)	-35717.51	-23725.16	-13230.70	-59442.67	-25617.61	-89409.71
15. Paid up equity share capital (Face Value ₹10/-)	33671.38	31991.38	25606.66	33671.38	25606.66	31990.32
16. Reserves excluding revaluation reserves as per balance sheet of previous accounting year	139106.50	139106.50	190442.03	139106.50	190442.03	139106.50
17. Analytical Ratios						
I) Percentage of shares held by Govt. of India	NIL	NIL	NIL	NIL	NIL	NIL
II) Capital Adequacy Ratio (%) - Basel - III	5.56	6.46	9.67	5.56	9.67	7.72
III) Earnings Per Share (EPS)(*Not Annualised)						
(a) Basic EPS - before/after extraordinary items						
* (Not annualised) (₹)	-10.64	-7.42	-5.17	-18.13	-10.01	-34.66
(b) Diluted EPS - before/after extraordinary items						
* (Not annualised) (₹)	-10.63	-7.41	-5.15	-18.11	-9.97	-34.59
IV) NPA RATIOS						
(a) Gross NPA	409105.49	355657.85	296489.08	409105.49	296489.08	335899.36
Net NPA	177266.59	153940.59	156008.47	177266.59	156008.47	150629.49
(b) % of Gross NPA	21.25	17.30	12.31	21.25	12.31	15.30
% of Net NPA	10.47	8.30	6.88	10.47	6.88	7.49
(c) Return on Assets (%) (Annualised)	-4.12	-2.72	-1.34	-3.42	-1.30	-2.32





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

NOTES:

1	The above financial results have been reviewed by the Audit Committee of the Board in their meeting held on 9th November 2019 and approved by the Board of Directors in their meeting held on 9th November 2019. The same have been subjected to Limited Review by the Statutory Auditors of the Bank.
2	The working results for the quarter ended 30th September 2019 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 in the preparation of interim financial results to those followed in the annual financial statements for the year ended March 31, 2019.
4	During the financial year 2017-18, the Bank had adjusted deposit loans aggregating to Rs.794 crore, extended to M/s.RHC Holding Private Limited and M/s.Ranchem Private Limited, group companies of M/s Religare Finvest Limited against its deposits. Disputing the said adjustment, M/s.Religare Finvest Limited has filed a suit against the Bank in May, 2018 before the Honourable High Court of Delhi and the same is being defended appropriately by the Bank. The matter still remains sub-judice. The Reserve Bank of India advised that the Bank may on a prudential basis maintain provision to cover potential losses for the "claims against the Bank not acknowledged as debt". As per legal opinions received by the Bank, the adjustment of deposits against loans is lawful and tenable. Hence, the Bank management's decision on recognition and measurement of provisions on this score depends on the verdict of the court in the said suit. The Bank holds a contingent provision of Rs.200 crore as on 30.09.2019. Further to the above, Bank has submitted replies to the clarifications sought by SEBI. EOW, Delhi has registered FIR against Directors of Board LVB, RHC Holding and Directors on the Board of RHC Holding. The Bank has sent a detailed letter to EOW explaining its stand and assured to extend full co-operation in the investigation.
5	RBI circular DBR.No.BP.BC.108/21.04.048/2017-18 permitted banks to continue the exposures to MSME borrowers to be classified as standard assets where the dues between September 1, 2017 and December 31, 2018 are paid not later than 180 days from their respective original due dates. The subject scheme validity (GST relief to MSMEs) is only up to 31.08.2019.
6	Deferred tax asset/ liability will be recognised at the year-end.
7	The provision coverage ratio as at 30th September 2019 stood at 62.28%.
8	RBI vide its letter dated 09.10.2019 informed that the application for Amalgamation of Indiabulls Housing Finance Limited (IHFL) and its wholly owned subsidiary, Indiabulls Commercial Credit Ltd.,(ICCL) into and with Lakshmi Vilas Bank (LVB) can not be approved.
9	In the Extraordinary General Meeting of the Bank held on 20th May 2019, the shareholders have approved the issue of up to 1,68,00,000 Equity Shares of face value of Rs.10 each, at a price of Rs.112 per share (including a premium of Rs.102 per share) aggregating to Rs.188.16 crore, on a preferential basis to M/s.Indiabulls Housing Finance Limited. Further, the Bank has made the aforesaid allotment on 4th July 2019.
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-iii.aspx and the disclosures have not been subjected to audit or limited review by the statutory auditors of the bank.
11	Reserve bank of India vide its letter dated 14.10.2019 imposed penalty of Rs.1.00 crore (Rupees One Crores only) towards non-compliance of the direction issued by RBI contained in paragraph 31.1 of the Master Circular dated 01.07.2015 on "Prudential norms on Income Recognition Assets Classification and provisioning pertains to advances" with reference to financial position as on 31.03.2017.
12	Bank has been put under Prompt Corrective Action framework(PCA) in terms of RBI letter dated 27.09.2019.



13	Government of India has pronounced Section 115 BAA of Income Tax Act 1961 through Taxation Laws (Amendment) ordinance, 2019 which provides a non reversible option to pay corporate tax at reduced rate effective 1st April 2019 subject to certain conditions. The Bank is currently in the process of evaluating this option. Bank continues to recognise the taxes on income for the quarter and half year ended 30.09.2019 as per provisions of Tax Laws.
14	Shri. Parthasarathi Mukherjee, Managing Director & Chief Executive Officer has resigned with effect from 31.08.2019 owing to personal reasons and the same was informed to NSE & BSE vide our letter dated 28.08.2019.
15	As per SEBI circular CIR/CFD/CMD1/120/2019 dated October 31, 2019, Divergence in Asset Classification and Provisioning for NPAs as per RAR report for the financial position as on 31.03.2019 was informed to NSE & BSE vide our letter dated 01.11.2019
16	The shareholders at the 92nd Annual General Meeting of the Bank held on 27.09.2019 have approved for capital clause amendment to the Memorandum of Association for increasing the Authorized Capital of the bank from Rs.500 Crores divided into 50,00,00,000 equity shares of Rs 10 each to Rs.650 Crores divided into 65,00,00,000 Equity shares of Rs 10 each . As prescribed under Section 49 C of the Banking Regulation Act, 1949, Bank has approached RBI for their NOC. RBI vide their letter DBR.PSBD.3229/16.01.06/2019-20 dated October 23, 2019 advised that they have noted the amendments to be carried out in respect of the capital clause of the MOA .
17	The figures related to Cash Flow Statement for the related Comparative Period ended 30th September, 2018 is neither Audited nor Reviewed by the Central Statutory Auditors.
18	A sum of Rs.11.22 crore being the QIP related expenditure incurred in the Financial Year 2018-19 and kept in Sundry Assets account was, on approval from Board appropriated to Share Premium account.
19	Status of Investor Complaints for the quarter ended 30th September 2019:
	-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
20	The figures of the previous periods/year have been regrouped/ reclassified, wherever necessary to conform to current period/ year classification.

Place: Chennai
Date: 09/11/2019




B.K. Manjunath
Non-Executive Chairman

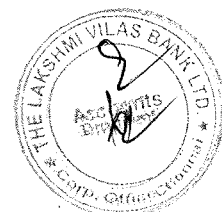


THE LAKSHMI VILAS BANK LIMITED

Statement of Assets & Liabilities of the bank as on 30/09/2019

(₹ in lakhs)

I. CAPITAL & LIABILITIES	As at 30.09.2019	As at 30.09.2018	As at 31.03.2019
a. Capital	33671.38	25606.66	31990.32
b. Reserves & Surplus	113853.21	179734.92	157267.31
c. Deposits	2786357.87	3107051.13	2927944.08
d. Borrowings	107937.90	336987.00	92125.90
e. Other Liabilities & Provisions	106974.54	74906.19	95288.68
TOTAL	3148794.90	3724285.90	3304616.29
II. ASSETS			
a. Cash & Balances with Reserve Bank of India	178073.49	180804.62	165407.21
b. Balances with Banks and Money at Call & Short Notice	47596.34	27551.47	51504.07
c. Investments	956110.64	1055865.69	843016.53
d. Advances	1693241.12	2268710.78	2010325.93
e. Fixed Assets	49312.53	47258.07	46995.43
f. Other Assets	224460.78	144095.27	187367.12
TOTAL	3148794.90	3724285.90	3304616.29

SEGMENT REPORTING - SEP 2019

(Rs. in lakh)

PART A: BUSINESS SEGMENTS	Quarter Ended			Half year ended		Year ended
	30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
PARTICULARS	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
1. SEGMENT REVENUE						
a. Treasury operations	16152.99	16626.10	16951.99	32779.10	32596.57	66819.80
b. Corporate/wholesale banking operations	14998.38	15305.66	18800.48	30304.04	37669.87	70541.55
c. Retail banking operations	34996.22	35713.21	43867.80	70709.42	87896.37	170013.69
d. Other banking operations	385.51	72.13	429.99	457.64	638.05	1646.14
TOTAL	66533.10	67717.10	80050.26	134250.20	158800.86	309021.18
2. SEGMENT RESULTS						
a. Treasury operations	2752.07	1862.84	886.63	4614.91	878.09	1257.96
b. Corporate/wholesale Banking operations	-2089.87	-1286.33	516.44	-3376.20	688.45	-2608.51
c. Retail banking operations	-4876.37	-3001.44	1205.02	-7877.81	1606.39	-669.78
d. Other banking operations	177.47	-130.22	148.62	47.26	259.48	823.72
TOTAL	-4036.71	-2555.14	2756.71	-6591.85	3432.41	-1196.61
OPERATING PROFIT	-4036.71	-2555.14	2756.71	-6591.85	3432.41	-1196.61
PROVISIONS OTHER THAN TAX	31680.80	21170.02	20487.41	52850.82	36640.02	127656.17
PROFIT BEFORE TAX	-35717.51	-23725.16	-17730.70	-59442.67	-33207.61	-128852.78
Less : Tax expenses	0.00	0.00	-4500.00	0.00	-7590.00	-39443.07
NET PROFIT / LOSS	-35717.51	-23725.16	-13230.70	-59442.67	-25617.61	-89409.71
3. SEGMENT ASSETS						
a. Treasury operations	1027581.10	1004468.15	1096275.88	1027581.10	1096275.88	909440.37
b. Corporate / Wholesale banking operations	488118.86	534958.28	711839.66	488118.86	711839.66	597296.89
c. Retail banking operations	1411912.54	1481523.60	1746561.05	1411912.54	1746561.05	1582984.56
d. Unallocated Assets	221182.39	222811.64	169609.31	221182.39	169609.31	214894.47
TOTAL	3148794.90	3243761.67	3724285.90	3148794.90	3724285.90	3304616.29
4. SEGMENT LIABILITIES						
a. Treasury operations	1025465.73	1000596.46	1062154.56	1025465.73	1062154.56	888938.79
b. Corporate/wholesale banking operations	487114.02	532896.31	698894.03	487114.02	698894.03	592657.45
c. Retail banking operations	1409005.99	1475813.13	1713690.25	1409005.99	1713690.25	1567891.96
d. Unallocated liabilities	79684.57	68911.85	44205.48	79684.57	44205.48	65870.46
TOTAL	3001270.31	3078217.75	3518944.32	3001270.31	3518944.32	3115358.66
CAPITAL EMPLOYED (Segment Assets - Segment Liabilities)						
a. Treasury operations	2115.37	3871.69	34121.32	2115.37	34121.32	20501.58
b. Corporate/wholesale banking operations	1004.84	2061.97	12945.63	1004.84	12945.63	4639.44
c. Retail banking operations	2906.55	5710.47	32870.80	2906.55	32870.80	15092.60
d. Unallocated	141497.82	153899.79	125403.83	141497.82	125403.83	149024.01
	147524.59	165543.92	205341.58	147524.59	205341.58	189257.63

PART B: GEOGRAPHICAL SEGMENTS

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



THE LAKSHMI VILAS BANK LIMITED
CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30th SEPTEMBER 2019

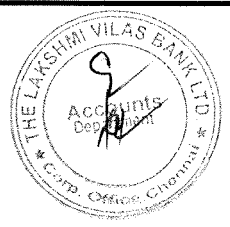
(Rs. in '000)

	Half year ended 30-09-2019 (Unaudited)	Half year ended 30-09-2018 (Unaudited)	Year ended 31-03-2019 (Audited)
CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit as per Profit & Loss Account	-5944267	-2561761	-8940971
ADJUSTMENTS FOR:			
Provisions & Contingencies	5285082	2905003	8821310
Depreciation on Fixed Assets	420018	250000	672093
Loss on sale of assets	7690	-321	-8254
Income Tax / T D S paid	0	-100000	-100000
Net cash flow before changes in Working Capital	-231477	492921	444178
CHANGES IN WORKING CAPITAL :			
LIABILITIES : Increase/Decrease in			
Deposits	-14158621	-22389716	-40300421
Refinances	1581200	-6429103	-30915213
Other Liabilities	-3991579	-2135849	-5730161
	-16569000	-30954668	-76945794
ASSETS : Increase/Decrease in			
Investments	11433719	-1019705	-21550401
Advances	-31708481	-30810939	-56649424
Other Assets	3709365	-449063	3404188
	16565397	32279706	74795636
Net Cash Flow from operating activities	-235080	1817960	-1705980
CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of Fixed Assets	-664427	-952830	-1187063
Sale of Fixed Assets	5008	1879	14529
Net Cash Flow from Investing activities	-659419	-950951	-1172534
CASH FLOW FROM FINANCING ACTIVITIES:			
Share issue including share premium net of forfeited shares	1770962	-180764	4423738
Proceeds received from Tier II Bonds	0	0	0
Repayment of Tier II Bonds	0	0	0
Dividends paid	-609	-271	-3732
Net Cash Flow from financing activities	1770353	-181035	4420006
Cash flow for the period	875855	685973	1541492
Cash & Cash equivalents at the beginning of the year	21691128	20149636	20149636
Cash & Cash equivalents at the end of the period	22566983	20835609	21691128

Note: Cash, Balances with Other Banks, Balances with R B I, and Money at Call and Short Notice have been considered as cash and cash equivalents.



B



P. CHANDRASEKAR LLP

Chartered Accountants

LIMITED REVIEW REPORT

The Board of Directors
The Lakshmi Vilas Bank Limited

Introduction

We have reviewed the accompanying statement of unaudited standalone financial results (“the Statement”) of The Lakshmi Vilas Bank Limited (“the Bank”) for the three-month period ended 30th September 2019 and year to date results for the period from 1st April 2019 to 30th September 2019, prepared by the Bank pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The disclosures relating to “Pillar 3 under Basel III Capital Regulations”, “Leverage Ratio” and “Liquidity Coverage Ratio” as have been disclosed on the Bank’s website in respect of which a link has been provided in the Statement have not been reviewed by us. This Statement is the responsibility of the Bank’s Management and has been approved by the Board of Directors in their meeting held on 9th November 2019. 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 the Statement based on our review.

Scope of Review

We conducted our review 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of Bank 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.

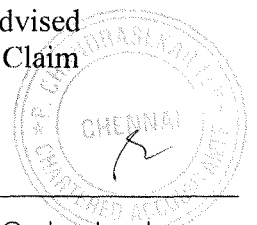
In the conduct of our review, we have relied on the reports in respect of non-performing assets received from concurrent auditors of 124 branches. These reports cover 73.27 per cent of the advances portfolio of the Bank. Apart from these reports, in the conduct of our review, we have also relied upon various returns received from the Branches of the Bank.

Basis of Qualified Conclusion

We draw attention to Note no. 4 of the unaudited financial statements.

During the financial year 2017-18, the Bank had adjusted loans aggregating to Rs.794 crore extended to M/s.RHC Holding Private Limited and M/s.Ranchem Private Limited against deposits of M/s.Religare Finvest Limited. The said adjustment has been contested by M/s.Religare Finvest Limited and a suit has been filed against the Bank in May 2018 before the Honourable High Court of Delhi. The matter still remains sub-judice. Further, the Economic Offence Wing, Delhi (“EOW”) has initiated proceedings against the Directors and others of the Bank and SEBI has sought clarification on the above matter. The Bank based on legal opinions obtained against the suit, the said appropriation is lawful and tenable and hence not made any specific provision on this score. The Reserve Bank of India (“RBI”) had advised the Bank to maintain provisions, on a prudential basis, to cover potential losses for the ‘Claim

Bangalore * Chennai



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M/s P. Chandrasekar (Partnership Firm) is converted into P. Chandrasekar LLP (a Limited Liability Partnership with LLP Identity No. LLPIN AAJ-5668) with effect from 31.05.2017

against the Bank not acknowledged as debt' in respect of the above-mentioned matter. In case of adverse judgment, the management need to provide an additional amount of Rs.594 crores after considering the available contingent provision of Rs.200 crores provided in the books. Considering the above, the Provisions (other than Tax) and Contingencies would have been increased, net loss for the period would have been increased, shareholders' funds would have been reduced, by Rs.594 crores respectively and the Capital Adequacy Ratio (Basel III) would have been reduced by 3.46%.

The audit opinion on the financial statements for the year ended 31st March 2019 was also qualified in respect of this matter.

Other Matter

Reserve Bank of India ("RBI") has initiated Prompt Corrective Action vide letter dated 27th September 2019. Certain actions have been prescribed, such as bringing in additional capital, restricting further lending to corporates, reducing NPAs and improving the Provision Coverage Ratio to 70%. The Bank is obliged to carry out the actions prescribed by RBI.

Qualified Conclusion

Based on our review, with the exception of the matter described in the "Basis of Qualified Conclusion" paragraph, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the applicable Accounting Standards and other recognised 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 Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For P.CHANDRASEKAR LLP

Chartered Accountants

(Firm Regn. No.000580S/S200066)



P.Chandrasekaran

Partner

Membership No. 026037

UDIN: 19026037AAAABZ6601

Place: Chennai

Date: 9th November 2019

