



# LAKSHMI VILAS BANK

Secretarial Department

CIN: L65110TN1926PLC001377

Ref/Sec/205 & 266/140/2019-2020

August 06, 2019

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

**Sub: Unaudited Financial Results for the Quarter Ended 30.06.2019.**

*[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 30<sup>th</sup> June, 2019 approved by the Board on 06.08.2019.

The meeting of Board of Directors of the Bank commenced at 01:00 PM and concluded at 06:45PM.

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

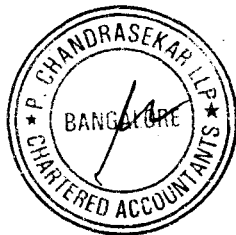
Corporate Office, "LVB HOUSE", No.4 Sardar Patel Road, Guindy, Chennai 600 032

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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2019

(₹ in lakhs)

PARTICULARS	QUARTER-ENDED			YEAR ENDED
	30-Jun-19 (Reviewed)	31-Mar-19 (Audited)	30-Jun-18 (Reviewed)	31-Mar-19 (Audited)
1. INTEREST EARNED (a+b+c+d)	62394.87	68225.12	72699.12	283989.39
(a) Interest/discount on advances/bills	46740.28	51926.01	55591.05	216315.27
(b) Income on investments	15361.30	16106.81	16923.77	66634.80
(c) Interest on balances with RBI & Other inter- bank funds	221.93	123.06	76.45	684.93
(d) Others	71.36	69.24	107.85	354.39
2. Other Income	5322.23	5747.42	6051.48	25031.79
3. Total Income (1+2)	67717.10	73972.54	78750.60	309021.18
4. Interest expended	50037.81	54205.45	59678.72	227975.13
5. Operating Expenses (I) + (ii)	20234.43	21885.94	18396.17	82242.66
(I) Employees cost	10272.58	11142.43	9718.89	40166.07
(ii) Other operating expenses	9961.85	10743.51	8677.28	42076.59
6. Total Expenditure (excluding provisions and contingencies (4) + (5))	70272.24	76091.39	78074.89	310217.79
7. Operating Profit before provisions and contingencies (3) - (6)	-2555.14	-2118.85	675.71	-1196.61
8. Provisions (other than Tax) and Contingencies of which provisions for NPA & Diminution value of all restructured a/cs	21170.02	47877.35	16152.62	127656.17
9. Exceptional Items	0.00	0.00	0.00	0.00
10. Profit/Loss from ordinary activities before tax (7)-(8)-(9)	-23725.16	-49996.20	-15476.91	-128852.78
11. Tax expense	0.00	-23553.07	-3090.00	-39443.07
12. Net Profit/Loss from Ordinary activities after tax (10) - (11)	-23725.16	-26443.13	-12386.91	-89409.71
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)	-23725.16	-26443.13	-12386.91	-89409.71
15. Paid up equity share capital (Face Value ₹10/-)	31991.38	31990.32	25605.36	31990.32
16. Reserves excluding revaluation reserves as per balance sheet of previous accounting year	139106.50	139106.50	190442.03	139106.50
17. Analytical Ratios				
i) Percentage of shares held by Govt. of India	NIL	NIL	NIL	NIL
ii) Capital Adequacy Ratio (%) - Basel - III	6.46	7.72	9.45	7.72
iii) Earnings Per Share (EPS)(*Not Annualised)				
(a) Basic EPS - before/after extraordinary items * (Not annualised) (₹)	* (7.42)	* (10.02)	* (4.84)	(34.66)
(b) Diluted EPS - before/after extraordinary items * (Not annualised) (₹)	* (7.41)	* (10.00)	* (4.82)	(34.59)
iv) NPA RATIOS				
(a) Gross NPA	355657.85	335899.36	280471.94	335899.36
Net NPA	153940.59	150629.49	147808.90	150629.49
(b) % of Gross NPA	17.30	15.30	10.73	15.30
% of Net NPA	8.30	7.49	5.96	7.49
(c) Return on Assets (%) (Annualised)	-2.72	-2.86	-1.25	-2.32





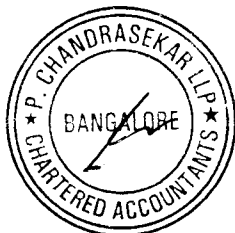
# LAKSHMI VILAS BANK

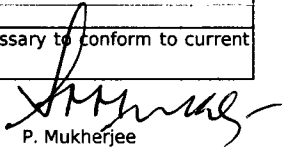
Corporate Office, "LVB HOUSE", No.4 Sardar Patel Road, Guindy, Chennai 600 032  
(Regd. Office: Salem Road, Kathapara, Karur - 639 006)

## NOTES:

1	The above financial results have been reviewed by the Audit Committee of the Board in their meeting held on 6th August 2019 and approved by the Board of Directors in their meeting held on 6th August 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 June 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	The figures for the quarter ended 31st March 2019 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 end of the third quarter of the relevant financial year.
5	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. Accordingly, no specific provision has been made in respect of the above. However, the Bank holds a contingent provision of Rs.200 crore.
6	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. Accordingly, the Bank has retained advance of Rs.31.48 crore as standard as at June 30, 2019. In accordance with the provisions of the circular, the bank had not recognised the unrealised interest income of Rs.1.20 crore.
7	Deferred tax asset/ liability will be recognised at the year-end.
8	The provision coverage ratio as at 30th June 2019 stood at 63.08%.
9	The Board at its meeting held on April 5, 2019 had approved the scheme of amalgamation between Indiabulls Housing Finance Limited (IHFL) and The Lakshmi Vilas Bank Limited (LVB). In furtherance, the Board at its meeting on May 3, 2019 had approved amendments to effect merger of IHFL and its wholly owned subsidiary, Indiabulls Commercial Credit Ltd.,(ICCL) into and with LVB under sections 230 to 232 and other applicable provisions of the Companies Act 2013, as amended, Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other rules and regulations framed thereunder. The Scheme is subject to the receipt of approval from the Reserve Bank of India, other Regulatory approvals and applicable compliances, while Competition Commission of India has conveyed their approval.
10	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.
11	The Bank has no exposure on Cafe Coffee Day (CCD) or its subsidiaries. However, the Bank has funded the coffee growers and suppliers of coffee beans to M/s.Coffee Day Global Limited(CDGL), in the normal course of business against the receivables from CDGL. In addition Bank has funded Kurgode Estate Ltd. and Ms Malavika Hegde and these two loans are backed by collaterals of fixed deposits, land and fixed assets. All the above facilities are further backed by the personal guarantee of Late Mr.V.G.Siddhartha. The total outstandings under the above facilities remained standard assets in the books of the Bank as on 30.06.2019.The Bank is pursuing for recoveries while assessing the impact of probable losses, if any.
12	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 <a href="http://www.lvbank.com/basel-iii.aspx">http://www.lvbank.com/basel-iii.aspx</a> and the disclosures have not been subjected to audit or limited review by the statutory auditors of the bank.
13	During the quarter ended 30th June 2019, the Bank had allotted 10,521 shares pursuant to the exercise of employees' stock option.
14	Status of Investor Complaints for the quarter ended 30th June 2019: -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
15	The figures of the previous periods/year have been regrouped/ reclassified, wherever necessary to conform to current period/ year classification.

Place: Bengaluru  
Date: 06/08/2019



  
P. Mukherjee  
MD & CEO

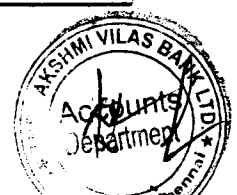
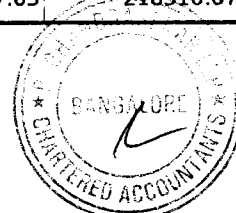
# SEGMENT REPORTING - JUNE 2019

(Rs. in lakh)

PART A: BUSINESS SEGMENTS	Quarter Ended			Year ended
	30-Jun-19 (Unaudited)	31-Mar-19 (Audited)	30-Jun-18 (Unaudited)	31-Mar-19 (Audited)
<b>PARTICULARS</b>				
<b>1. SEGMENT REVENUE</b>				
a. Treasury operations	16626.10	16047.83	15644.58	66819.80
b. Corporate/wholesale banking operations	15305.66	16579.28	18869.39	70541.55
c. Retail banking operations	35713.21	40681.73	44028.57	170013.69
d. Other banking operations	72.13	663.70	208.06	1646.14
<b>TOTAL</b>	<b>67717.10</b>	<b>73972.54</b>	<b>78750.60</b>	<b>309021.18</b>
<b>2. SEGMENT RESULTS</b>				
a. Treasury operations	1862.84	-452.95	-8.54	1257.96
b. Corporate/wholesale Banking operations	-1286.33	-1232.25	172.01	-2608.51
c. Retail banking operations	-3001.44	-878.50	401.37	-669.78
d. Other banking operations	-130.22	444.85	110.87	823.72
<b>TOTAL</b>	<b>-2555.14</b>	<b>-2118.85</b>	<b>675.71</b>	<b>-1196.61</b>
<b>OPERATING PROFIT</b>	<b>-2555.14</b>	<b>-2118.85</b>	<b>675.71</b>	<b>-1196.61</b>
<b>PROVISIONS OTHER THAN TAX</b>	<b>21170.02</b>	<b>47877.35</b>	<b>16152.62</b>	<b>127656.17</b>
<b>PROFIT BEFORE TAX</b>	<b>-23725.16</b>	<b>-49996.20</b>	<b>-15476.91</b>	<b>-128852.78</b>
Less : Tax expenses	0.00	-23553.07	-3090.00	-39443.07
<b>NET PROFIT / LOSS</b>	<b>-23725.16</b>	<b>-26443.13</b>	<b>-12386.91</b>	<b>-89409.71</b>
<b>3. SEGMENT ASSETS</b>				
a. Treasury operations	1004468.15	909440.38	991985.09	909440.37
b. Corporate / Wholesale banking operations	534958.28	597296.89	757646.50	597296.89
c. Retail banking operations	1481523.60	1582984.56	1924104.85	1582984.56
d. Unallocated Assets	222811.64	214894.46	167009.36	214894.47
<b>TOTAL</b>	<b>3243761.67</b>	<b>3304616.29</b>	<b>3840745.80</b>	<b>3304616.29</b>
<b>4. SEGMENT LIABILITIES</b>				
a. Treasury operations	1000596.46	888938.79	978646.01	888938.79
b. Corporate/wholesale banking operations	532896.31	592657.45	697529.16	592657.45
c. Retail banking operations	1475813.13	1567891.96	1900892.73	1567891.96
d. Unallocated liabilities	68911.85	65870.46	45161.83	65870.46
<b>TOTAL</b>	<b>3078217.75</b>	<b>3115358.66</b>	<b>3622229.73</b>	<b>3115358.66</b>
<b>CAPITAL EMPLOYED (Segment Assets - Segment Liabilities)</b>				
a. Treasury operations	3871.69	20501.59	13339.08	20501.58
b. Corporate/wholesale banking operations	2061.97	4639.44	60117.34	4639.44
c. Retail banking operations	5710.47	15092.60	23212.12	15092.60
d. Unallocated	153899.79	149024.00	121847.53	149024.01
	<b>165543.92</b>	<b>189257.63</b>	<b>218516.07</b>	<b>189257.63</b>

## PART B: GEOGRAPHICAL SEGMENTS

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



# 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 30<sup>th</sup> June 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 6<sup>th</sup> August 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.

Attention is drawn to the fact that the figures for the three-month period ended 31<sup>st</sup> March 2019 as reported in the Statement are the balancing figures between the figures in respect of the full year ended 31<sup>st</sup> March 2019 and the published year-to-date figures up to 31<sup>st</sup> December 2018. The figures up to 31<sup>st</sup> December 2018 had only been reviewed and not subjected to audit.

In the conduct of our review, we have relied on the reports in respect of non-performing assets received from concurrent auditors of 108 branches. These reports cover 68.05 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.



Bangalore \* Chennai

### **Basis of Qualified Conclusion**

We draw attention to Note no. 5 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. Based on the legal opinions obtained by the Bank, the said appropriation is lawful and tenable and the Bank has not made any specific provision on this score. However, The Reserve Bank of India ("RBI") had advised the Bank to maintain provisions, on a prudential basis, to cover potential losses for the 'Claim 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 31<sup>st</sup> March 2019 was also qualified in respect of this matter.

### **Emphasis of Matter**

We draw attention to Note no. 11 of the unaudited financial statements.

The Bank, while pursuing for recoveries, is also assessing the impact of probable loss, if any, in respect of certain loans extended to Café Coffee Day group entities and individuals covered by collateral of fixed deposits, lands, fixed assets and receivables and further covered by the personal guarantee of Late Mr.V.G.Siddhartha. All these facilities were standard assets as on 30<sup>th</sup> June 2019 and accordingly, no provision has been made in the current unaudited financial statements and any probable loss will be dealt with in the subsequent quarters.

### **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.

### **Other Matter**

The comparative financial information of the Bank for the quarter ended 30<sup>th</sup> June 2018 was reviewed by the predecessor auditor who had expressed an unmodified conclusion on those financial information.

**For P.CHANDRASEKAR LLP**  
Chartered Accountants  
(Firm Regn. No.000580S/S200066)

*Chandrasekaran*

**P.Chandrasekaran**  
Partner  
Membership No. 026037  
UDIN:  
Place: Bangalore  
Date: 6<sup>th</sup> August 2019

