



LAKSHMI VILAS BANK

88th ANNUAL REPORT 2014 - 2015



BOARD OF DIRECTORS



Shri RAKESH SHARMA
Managing Director & CEO



Shri D.L.N. RAO



Shri K.R. PRADEEP



Shri S.G. PRABHAKHARAN



Shri S. DATTATHREYAN



Shri P.A. SHANKAR



Shri N. MALAYALARAMAMIRTHAM



Shri PANKAJ VAISH



Shri PRAKASH P MALLYA



Smt. E.V. SUMITHASRI



Shri VIVEK DEEP
RBI Nominee



Shri K. BABUJI
RBI Nominee



BOARD OF DIRECTORS

Shri. / Smt.

Raghuraj Gujjar - Non Executive Chairman (Till 25.04.2015)
 Rakesh Sharma - Managing Director & CEO
 D.L.N. Rao
 B.K.Manjunath - (Till 13.01.2015)
 K.R. Pradeep
 S.G. Prabhakaran
 S. Dattathreyan
 R. Sharan - (Till 23.08.2014)
 A. Satish Kumar (Till 04.09.2014)
 P.A. Shankar
 N. Malayalamamirtham
 Pankaj Vaish - (From 23.08.2014)
 Prakash P Mallya - (From 23.08.2014)
 E.V. Sumithasri - (From 10.03.2015)
 Ashok Narain - RBI Nominee (Till 02.12.2014)
 Vivek Deep - RBI Nominee (From 03.12.2014)
 R. Ravikumar - RBI Nominee (Till 13.05.2015)
 K. Babuji - RBI Nominee (From 14.05.2015)

CHIEF FINANCIAL OFFICER

M. Palaniappan

CHIEF GENERAL MANAGER

A.J. Vidya Sagar
 RM. Meenakshisundaram

GENERAL MANAGERS

R.V. Raman
 RM. Kumarappan
 S. Ramanathan
 R. Kamalasekaran
 A. Shankar
 R.K. Gurumurthy
 Peeush Jain
 P. Premkumar
 Ashok Kumar Pareek
 Sudhir Kaushik

COMPANY SECRETARY

N. Ramanathan

AUDITOR

M/s. R.K. Kumar & Co.
 Chartered Accountants
 Chennai
 (Firm's Registration No. 001595S)

REGISTERED OFFICE

Salem Road, Kathapara, Karur-639 006, Tamilnadu
 Phone: 04324-220051 to 220060 (10 lines)
 Website: www.lvbank.com
 E-Mail: secretarial@lvbank.in

CORPORATE OFFICE

"LVB HOUSE", No. 4, Sardar Patel Road,
 Guindy, Chennai - 600 032
 Tamilnadu
 Phone: 044 - 22205306

REGISTRAR AND SHARE TRANSFER AGENT

M/s. Integrated Enterprises (I) Limited
 II Floor, "Kences Towers",
 No.1, Ramakrishna Street,
 North Usman Road, T.Nagar,
 Chennai - 600 017.
 Phone: 044-28140801/2/3 Fax: 28142479
 Email: corpserv@integratedindia.in



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DIRECTORS' 88th ANNUAL REPORT

TO THE MEMBERS

The Directors of your Bank have great pleasure in presenting this 88th Annual Report on the business and operations of your Bank together with the Audited Accounts for the year ended 31st March, 2015 (FY 2014-15).

1. FINANCIAL PERFORMANCE

The highlights of the financial performance of your Bank for the year ended 31st March, 2015 are as under:

	(₹ in crore) For the year ended	
	31 st March 2015	31 st March 2014
Deposits	21,964.21	18,572.88
Advances (Net)	16,352.02	12,889.19
Investments (Net)	6,103.78	5,688.68
Total Income	2,498.56	2,187.54
Operating profit	376.44	309.00
Provisions and contingencies	244.15	249.34
Net Profit	132.29	59.66

Your bank registered appreciable growth in business volumes that compares very favorably with the industry average. The Bank attained total business of ₹ 38,316.22 Crores in FY 2014-2015 a growth of 21.79% over ₹ 31,462.07 Crores in FY 2013-2014.

Deposits grew by 18.26%, from ₹ 18,572.88 Crores as at 31st March 2014 to ₹ 21,964.21 Crores as at 31st March 2015, and total advances expanded by 26.87%, from ₹ 12,889.19 Crores to ₹ 16,352.02 Crores in FY 2014-2015. Of this, lending to Priority Sector rose from ₹ 5,216.52 Crores in the previous year to ₹ 5,849.89 Crores as on 31st March 2015. Agricultural Advances slightly decreased to ₹ 2,457.18 Crores from ₹ 2,462.00 Crores and advances to Weaker Section exposure also slightly decreased from ₹ 1,730.71 Crores to ₹ 1,712.77 Crores.

The Bank's exposures to sensitive sectors including Real Estate and Capital Market were maintained well within the regulatory limits.

As at the end of the year under review, the total investments of the Bank stood at ₹ 6,145.48 Crores as against ₹ 5,731.96 Crores as on 31st March 2014.

Your Bank's Treasury continues to focus on sound Asset-Liability Management and on servicing clients with appropriate treasury products and was managed well in a systematic way in a challenging year when yields were constantly rising.

2. PROFIT

The Bank has posted an operating profit of ₹ 376.44 Crores in FY 2014-2015 against ₹ 309.00 Crores in the previous year FY 2013-14 registering a growth of 21.83%. The net profit for the year, after provisions and taxes, amounts to ₹ 132.29 Crores as against ₹ 59.66 Crores recorded in 2013-14 recording a growth of 121.72%.



3. APPROPRIATIONS

Particulars	₹ in crore) For the year ended	
	31.03.2015	31.03.2014
Profit brought forward	0.07	0.09
Amount available for appropriation	132.35	59.74
Transfer to:		
Statutory Reserve	33.20	15.00
Capital Reserve	4.78	0.11
Other Reserve	41.40	24.00
Investment Fluctuation Reserve	0.73	0.00
Transfer to Special Reserve U/s 36(1) (viii) of the IT Act, 1961.	9.15	9.15
Proposed Dividend	35.84	9.75
Corporate Dividend Tax	7.17	1.66
Balance of Profit carried forward	0.08	0.07

4. DIVIDEND:

Your Board of Directors are pleased to recommend a dividend of ₹ 2.00 (20%) per share for the post Rights Issue Capital for the year ended 31st March, 2015 as against ₹ 1.00 (10%) per share for previous year ended 31st March, 2014. The total out go in the form of dividend, including taxes, will be ₹ 43.01 Crores.

5. EPS / BOOK VALUE:

Earnings per Share stood at ₹ 9.16 for the year ended 31st March, 2015 as compared to ₹ 6.11 as on 31st March, 2014.

Book Value of the share, post rights issue stood at ₹ 82.48 on 31st March, 2015 as compared to ₹ 100.16 as on 31st March, 2014.

6. NET OWNED FUNDS / CAPITAL ADEQUACY RATIO:

Net Owned Funds (NOF) of the Bank increased from ₹ 977.17 Crores as at the end of FY 2013-2014 to ₹ 1,477.69 Crores as at the end of FY 2014-2015, reflecting a growth of 51.22%.

The Capital Adequacy Ratio (CAR) as on 31st March 2015 as per BASEL III is 11.34%. The bank has been consistently maintaining Capital Adequacy Ratio well above the regulatory minimum of 9% stipulated by the Reserve Bank of India.

The Tier-I and Tier-II components of Capital Adequacy Ratio were comfortable at 9.33% and 2.01% respectively.

7. NON-PERFORMING ASSETS (NPA'S):

Indian Banking industry continued to experience accretion of NPA in recent past. This has largely been attributed to the weak performance of the global as well as Indian economy, resulting in the deterioration of asset quality held by the banking sector. This trend continued to persist to certain extent during this financial year also across the Indian banking sector. This position is expected to improve in the current year.

Against this backdrop, your bank has shown an improved performance in NPA management during the last financial year. The percentage of Gross & Net NPA of your bank decreased to 2.75 % and 1.85 % respectively as on 31.03.15 against the last year figure of 4.19 % & 3.44 %.

This was made possible due to the combined efforts put in by the employees, which yielded the desired results. Your Bank has also sold some hard core NPAs to ARCs which has also enabled the Bank to make substantial recovery from NPAs during the FY. Stressed accounts were upgraded through efficient recovery follow-up and cash recoveries were also significant during the period. Coordinated recovery efforts resulted in improved performance during the FY.



During the year, Credit monitoring has been strengthened and follow-up methodology was further improved which has resulted in a great reduction of slippage to NPA. Conducts of the high value credit portfolio was under constant monitoring. Monitoring process has been aided by technology. Wherever stress was noticed, immediate remedial steps were taken and stressed assets were nurtured back to performing assets.

8. BRANCH AND ATM NETWORK:

The bank has a network of 400 branches including a satellite branch and 7 extension counters, spread over 16 states and the union territory of Pondicherry. The Bank's focus is on customer delight, by maintaining high standards of customer service. LVB has a strong and wide base in the State of Tamil Nadu, one of the progressive States in the country. LVB has been focusing on retail banking, corporate banking and bancassurance, by rendering high-tech services.

The Bank has an ATM network of 820 (264 Onsite & 556 offsite), in vital / major locations for better service to our customers. Bank continues to invest in expanding the network of Branches & ATMs.

9. FINANCIAL INCLUSION:

Financial Inclusion may be defined as the process of ensuring access to financial services to vulnerable groups such as weaker sections and low income groups at an affordable cost and providing timely and adequate credit where needed. The essence of financial inclusion is to ensure that a range of appropriate Basic financial services are made available to every individual and enabling them to understand and access those services.

The bank has implemented the financial Inclusion plan in 356 villages & wards allotted by SLBC in Tamilnadu. The bank has opened 150370 Basic Savings Bank Deposit Accounts (BSBDA) including 70358 accounts under Prime Minister Jan Dhan Yojana (PMJDY).

10. INTERNATIONAL BUSINESS:

Global Dollar strength kept most currencies under pressure during the year. Strong Foreign Portfolio inflows and increase in Foreign Direct investment flows supported Indian Rupee from major weakness. Euro and Japanese Yen weakened as a consequence of sustained quantitative easing by the respective Central Banks. There is a consensus estimate that the US is widely expected to raise interest rates during the second half of 2015. During the year under the report, the Bank has achieved a foreign exchange turnover of ₹ 4,560.82 Crores as against ₹ 4,310.08 Crores in the previous year. The outstanding advances to export sector stood at ₹ 275.02 Crores as on 31st March 2015. The business turnover is expected to significantly improve as more branches are identified for undertaking foreign exchange business.

11. BANK TRANSFORMATION EXERCISE:

A Bank-wide transformation exercise – 'Project Lakshya' - is currently underway at LVB, in collaboration with Ernst & Young LLP, across areas ranging from Retail and Corporate Banking, Human Resources, Information Technology, Treasury, Risk Management and Compliance. Through a range of strategic initiatives, the Bank is being positioned for competitive advantage and growth while improving its operating efficiency, meeting evolving customer needs and ensuring greater employee engagement.

Last year, Ernst & Young LLP carried out a detailed Bank-wide diagnostic exercise, through which a range of actionable initiatives were identified. The current phase of the exercise focuses on implementing the high impact strategic initiatives identified through that exercise. Best-in-class processes are being implemented, that will further improve the turnaround time to serve customers. Customer focused products are being launched, to ensure customers get what they need. The human resources function is being further strengthened, so as to ensure that employees are happier and are able to serve customers even better. Risk management and compliance policies and controls are being further strengthened, so as to create an even stronger base, as the bank embarks on its growth journey. Select IT projects are also being implemented, which will drive greater degree of automation and seamless customer servicing. Last, but not the least of Project Lakshya's focus areas, is driving the overall effectiveness and efficiency of the treasury function.

There are also a range of initiatives which are aimed at creating high performance branches with strong customer orientation. Select branches have been identified across several regions for piloting these initiatives and implementation of these initiatives is currently underway at these branches.

12. LVB CROWN SERVICES:

Lakshmi Vilas Bank launched **LVB Crown Services**, a bespoke suite of products and services, designed exclusively for high net worth individuals. The Bank has envisioned a premium value proposition, with customers being mapped to either CROWN Relationship Managers or Branch Managers. This would ensure a responsive, superior service experience for customers. Also, the LVB CROWN



Savings Bank account offers INR 25 lacs Personal Accident Cover, 25% discount on locker facilities, free RTGS, Platinum VISA International Debit card with higher limits on POS and ATM transactions, among a host of other benefits. The Bank is also creating LVB CROWN lounges for CROWN customers, in select Branches. The first LVB CROWN lounge was launched in Cantonment Branch, Bengaluru, in February'15, and more are slated for launch in the current financial year. The Bank would bring in more products and services as part of LVB CROWN, catering to the varied needs of our esteemed customers.

13. LISTING AGREEMENT WITH STOCK EXCHANGES:

The Equity Shares of the bank are listed with the National Stock Exchange of India Ltd, Mumbai and Bombay Stock Exchange, Mumbai which is enhancing the liquidity of our equity shares.

14. ALIGNING TECHNOLOGY WITH BUSINESS OBJECTIVE:

- Your bank has implemented various software tools and applications, customized CBS towards business needs and compliance.
- Your bank enabled the customers to receive LPG subsidy by enabling DBTL at branches through both Aadhar and Non-Aadhar Modes.
- Your bank has introduced product portability which will enable the customers to migrate from one product to another product without change in the account number.
- Your bank has made the Internet Banking more safe and secure by introducing Two Factor Authentication.
- Your bank has made the Internet Banking more user friendly by facilitating online password reset.
- Your bank has upgraded the branch business connectivity across all locations for better operational efficiency and deliverance of customer service.

IT Awards:

- Your bank has bagged National Payment Corporation of India (NPCI) award for NACH (National Automated Clearing House) operations under Scheduled banks category – “Small Banks”.
- Your bank has bagged one of the prestigious Business Technology Industry award from “Data Quest” in the area of “Unified Communications”.

15. WEALTH MANAGEMENT / PARABANKING ACTIVITIES:

- i. **Life Insurance:** Bank has entered into a strategic alliance with one of the leading life insurers in the country M/s. Max Life Insurance Company Ltd (MLI) to offer Life Insurance products to our customers.
- ii. **General Insurance:** Bank has tied-up with M/s. Future Generali India Insurance Company Ltd for General Insurance business distribution.
- iii. **Mutual Funds & PMS:** The Bank is presently having tie-up with thirteen leading Asset Management Companies for promoting various Mutual Fund schemes. In addition, we are promoting Portfolio Management Services (PMS) through UTI, Reliance and Sundaram Asset Management Company.
- iv. **Money Transfer through Branch Channels:** Foreign inward remittances are facilitated by arrangement with M/s. Weizmann Forex Ltd. for extending Western Union Money Transfer facility. In addition, tied-up with M/s. UAE Exchange & Financial Services Ltd., also for offering Global Money Transfer services through Xpress Money and Moneygram.
- v. **Money Transfer through Direct Remittances:** Tied up with Times of Money - Remit 2 India for Inward remittance from Abroad, this enables the NRIs to directly remit the amount to their account / residents.
- vi. **Investment & Infrastructure Bonds:** Bank empanelled with M/s. Bajaj Capital Ltd. for promoting Investment & Infrastructure Bonds.
- vii. **PAN Card Services:** Bank has tied up with M/s. UTI Infrastructure & Technology Services Ltd., (UTIITSL) as PAN Service Agent (PSA) for collecting the PAN Application across the country through Branches.
- viii. **Depository Participant Services:** Registered as Depository Participant with NSDL and with necessary clearances, this product is offered to our customers.
- ix. **Online Trading Services:** Bank has tied up with M/s. IDBI Capital Market Services Ltd. for offering Online Trading Services (OLT) to customers.



- x. **New Pension System (NPS):** Bank has registered with PFRDA and NSDL-CRA as Point of Presence (PoP) for offering NPS services for all Indian citizens except Government Employees already covered by NPS.
- xi. **ASBA:** As Bankers to the issue, the Bank can now receive applications under ASBA mode thus enabling the investors to earn interest till allotment of securities.

16. RISK:

Risk is an integral component of the activities of any bank. Risk management is an attempt to identify, to measure, to monitor and to manage uncertainty. It is not only a requirement under several voluntary codes and statutes but also make business sense to identify the probability of not achieving strategic and business goals. Risk Management has to be embedded in business processes to ensure that it is being practiced and made part of the culture of the organization. With this in mind the bank has established systems and policies ensuring an ongoing assessment of relevant risk types on an individual basis and in the aggregate as well.

The Bank's board ensures that the risks are managed appropriately through laid down policies and effective systems. A Board Level Committee inter alia oversees the implementation of Credit risk, Market Risk and Operational Risk policy prescriptions. The Asset Liability Management Committee (ALCO) looks into the management of Liquidity and Market risks and ensures adherence to the prudential limits. At Executive Level also, a committee consisting of Top Executives reviews periodically Liquidity Risk, Credit Risk & Market risk to take stock of the current situation. At the organization level, an Integrated Risk Management Department headed by General Manager is functioning at Corporate office to identify, measure, monitor and reduce risk, optimize returns and assess the required capital level. Bank has already automated the process of capital calculation and Base rate as per RBI Guidelines. Bank has a robust credit risk assessment system to ascribe borrower risk grades. This facilitates data collection and analysis for moving towards Advanced Approaches. Bank has in place well defined frame work for managing Market Risk. Basic Indicator Approach has been adopted for computation of capital charge for Operational Risk.

The Bank has migrated to Basel III in a phased manner (as per RBI guidelines) from April 2013 onwards and is preparing ICAAP document to assess its inherent risk and capital requirements. Bank is doing the Stress Testing as per the revised guidelines issued by RBI during December 2013 and Scenario Analysis for various risks as required under Pillar II for enhancing risk assessment and to provide the bank, a better understanding of the likely impact even in extreme circumstances. Technology is extensively used in measuring and discussing market risk using statistical tools including stress testing.

17. INTERNAL CONTROLS:

Bank has a separate Audit and Inspection Department which subjects all the branches besides the Treasury, Currency Chests, Service Branches, Regional Offices and every department of the Corporate Office through Regular Inspections. Key Functional areas including Integrated Treasury at Mumbai and Central Processing Cell, Chennai, Lotus-CPC, Karur and 100 branches are under Concurrent Audit which covers 59.00% of the total Deposits and 78.00% of the total Advance of the Bank. All the branches are subjected to IS Audit.

Audit Committee of the Board constituted in line with RBI guidelines and as per the requirements of clause 49 of the listing agreement, reviews the adequacy of the audit and compliance functions, including the policies, procedures and techniques.

18. HUMAN RESOURCE:

During the year 2014-15 the Bank adopted strategy by introducing new verticals in the Organizational structure and redeploying Top executives. In this connection, strategic positions had been filled with competent resources, we have recruited 22 Executives, 238 Officers, 88 Clerks & 28 Sub-staff. We have also engaged 472 Sales Personnel to promote sales. The Bank has effected promotion to 140 staff members across different cadres. The number of employees as on 31.03.2015 was 3459 as against 3292 as on 31.03.2014. Business per employee has gone up from ₹ 8.59 Crores as on 31.03.2014 to ₹ 9.80 Crores as on 31.03.2015.

The Bank's focus on training the human resources on a continual basis gained momentum by conducting online e-learning duly leveraging technology. Bank has trained the executives and officers by deputing to various programmes offered by reputed external institutions such as RBI, CAB, SIBSTC, IDRBT, NIBM, ISB, IIFB and other specialized organizations.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE BANK:

Disclosure under Section 186 of the Companies Act, 2013 does not apply to Banking Company.

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The related party transaction during the financial year was under ordinary course of business of the Bank and on arm's length basis and Form AOC-2 is not applicable to the Bank. During the FY 2014-15, the bank did not have any material Related Party Transaction.



The Bank has an approved policy on Related Party Transactions, which has been disclosed on the website and can be viewed at https://www.lvbank.com/UserFiles/File/RelatedPartyTransactions_Policy.pdf

21. OUTLOOK 2015-16:

The broad-based decline in retail inflation since September 2014, plans announced in the Union Budget to step up infrastructure investment, depressed commodity prices and upbeat financial market conditions have improved the prospects for growth in 2015-16. Retail inflation is projected to remain below 6 per cent in 2015-16. Persisting slack in the economy and restrained input costs should sustain disinflationary impulses, unless disrupted by reversal in global commodity prices and/or deficiency in the south-west monsoon. The most significant change to forecasts has been the collapse of international commodity prices, particularly those of crude. For the Indian economy, this translated into a sizable softening of prices of both raw materials and intermediates.

Another factor vitiating baseline assumptions has been the different speeds at which global activity evolved across geographies. With several emerging market economies (EMEs) slowing down alongside sluggish advanced economies – barring the United States (US) – external demand fell away and sent prices of tradables into contraction. For India, import prices declined faster than export prices, conferring unexpected gains in net terms of trade as well as an appreciable easing of imported inflationary pressures. As data from the US allayed fears of early monetary policy normalisation and ultra-accommodative monetary policies took hold in Europe, Japan and China as also elsewhere, risk appetite roared into financial markets and India became a preferred destination for capital flows. The appreciating bias imparted to the exchange rate of the rupee brought with it a disinflation momentum.

Domestically, prices of fruits and vegetables ebbed from September 2014 after supply disruptions induced spikes in July-August. Aided by proactive supply management strategies and moderation in the pace of increase in minimum support prices, food inflation eased more than expected. Another favourable but unanticipated development that restrained cost-push pressures has been the sharp deceleration in rural wage growth to below 6 per cent by January 2015 from 16 per cent during April-October 2013. The confluence of these factors fortified the anti-inflationary stance of monetary policy and reinforced the impact of the policy rate increases effected between September 2013 to January 2014. In the event, CPI inflation retreated below the January 2015 target of 8 per cent by close to 300 basis points.

The Government of India and the Reserve Bank have committed to an institutional architecture that accords primacy to price stability as an objective of monetary policy. The Monetary Policy Framework Agreement envisages the conduct of monetary policy around a nominal anchor numerically defined as below 6 per cent CPI inflation for 2015-16 (to be achieved by January 2016) and 4 +/- 2 per cent for all subsequent years, with the mid-point of this band, i.e., 4 per cent to be achieved by the end of 2017-18. Failure to achieve these targets for three consecutive quarters will trigger accountability mechanisms, including public statements by the Governor on reasons for deviation of inflation from its target, remedial actions and the time that will be taken to return inflation to the mid-point of the inflation target band. This flexible inflation targeting (FIT) framework greatly enhances the credibility and effectiveness of monetary policy, and particularly, the pursuit of the inflation targets that have been set. The commitment of the Government to this framework enhances credibility significantly since it indicates that the Government will do its part on the fiscal side and on supply constraints to reduce the burden on monetary policy in achieving price stability.

Inflation expectations of various economic agents polled in forward looking surveys have been easing, partly reflecting the adaptation of expectations to the decline in inflation as well as growing credibility around the Reserve Bank's inflation targets. Although households' expectations of inflation three months ahead as well as one year ahead appear to have firmed up modestly in March 2015 in response to the uptick in retail inflation in January – February 2015, the softening of food and fuel inflation will likely temper those expectations going forward. This is borne out by the survey of professional forecasters for March 2015 in which five years ahead inflation expectations have dropped by 50 basis points to 5.3 percent. Professional forecasters expect CPI inflation to average between 5.0 and 6.0 per cent in 2015-16. The industrial outlook survey of the Reserve Bank indicates that manufacturers expect softer input prices in the near-term, which could transmit to output prices with a lag in view of the slack in economic activity.

22. CORPORATE GOVERNANCE:

Corporate Governance of the Bank continues to rest on the fundamental pillar of high ethical values, designed to enhance and protect the interests of all the stakeholders. The Bank has complied with the code of corporate governance as enumerated in Clause 49 of the Listing Agreement. All the Directors on the Board have executed deed of covenant and undertaking individually in line with the recommendations of Dr. Ganguly Committee Report.

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion and Analysis is presented in Annexure-A and Report on Board Committees is furnished in Annexure-B. Composition of the Board of Directors together with the attendance of Directors at various meetings of the Board, its Committees and Annual General Meeting and the number of directorships held by them along with the details of Audit Committee and Stakeholders Relationship Committee are furnished in Annexure-C. General Shareholders' information is furnished in Annexure-D. Details pertaining to the Composition of Audit Committee are mentioned elsewhere in this report.



23. NUMBER OF MEETINGS OF THE BOARD:

During the financial year, the Board met 14 times. The Board meetings were held in accordance with the provisions of the Companies Act 2013. The details of the meetings held are given in the Corporate Governance Report that forms part of this Annual Report.

24. POLICY OF DIRECTOR'S APPOINTMENT AND REMUNERATION:

According to the Articles of Association of our Bank, the number of Directors of the Bank shall not be less than nine and more than twelve and not less than fifty-one percent of the total number of Directors shall be persons who satisfy the requirements of Section 10A of the Banking Regulation Act. The process of Due Diligence is undertaken in compliance of Directives/Guidelines/Circulars issued by RBI from time to time in the matter of appointment/re-appointment of Director. The Non-Executive Chairman of the Bank and the Managing Director are appointed with prior approval of the RBI. Based on the vacancies that may arise in the Board from time to time, the Board follows a due process of appointment of directors through prior due diligence in line with the regulatory advice given by RBI, SEBI and MCA by way of Circulars / Guidelines / Regulations / Act. The Nomination and Remuneration Committee of the Board has formulated evaluation criteria for the appointment or re-appointment of directors. The Managing Director and CEO is paid remuneration as approved by the RBI but is not paid sitting fees. Other than the MD&CEO, no other directors are paid any remuneration apart from sitting fees. The details of remuneration of the MD&CEO and that of the sitting fees paid to the directors are available elsewhere in the report. The senior management of the Bank along with the KMPs abide by the Code of Conduct prescribed by the Bank. The code of conduct has been disclosed at the Bank's website and can be viewed at <http://www.lvbank.com/UserFiles/CODEOFCONDUCT.pdf>.

The MD&CEO, CFO and Company Secretary are the Key Managerial Personnel (KMPs) of the Bank, as stipulated by the Companies Act, 2013. Other than MD&CEO, there is no other whole time director in the bank.

25. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has duly obtained necessary declarations from each independent director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence as laid down in the section 146(6) of the Companies Act 2013 and Clause 49 of the Listing Agreement and the Company has also obtained the 'Fit and Proper' declaration as prescribed by the Reserve Bank of India.

26. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, yearly performance evaluation of the Board as a whole and that of the individual directors and of various committees of the Board is to be conducted. The Nomination and Remuneration Committee of the Board had formulated definite criteria for evaluation of Independent Directors and the Board. The Independent Directors, in their separate meeting had considered and evaluated the performance of the Board, the Chairman and the other non-independent Directors in the Board. The Board has taken note of the evaluation made by the Independent Directors and has also evaluated the performance of the Board, the Committees and the individual Directors taking into account the criteria formulated by the Nomination and Remuneration Committee.

The Board has also considered the participation by the members in the meetings of Board and its Committees, the composition and diversity of Board, the various Committees of the Board and its role play, the familiarization program given to the directors, the appropriateness of the decisions made, the quality, quantity and timeliness of flow of information to the Board, the positive contribution of the individual Directors who come from a professional background and the quality suggestions and guidance given by them through their participation in the meetings with an understanding of the business of the Bank and an understanding of their role and responsibilities and the overall effectiveness, the broad based discussions at Board / Committee Meetings, the understanding of the regulatory requirements, the contribution of the Board and the Committees to the specific strategies drawn and the overall growth of the bank. The evaluation of the individual Directors was done in absence of the Director being evaluated.

27. CHANGES IN THE BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

Resignations/Cessation of tenure of appointment:

Shri. Rampriya Sharan, Director, resigned from the Board with effect from 23.08.2014 after having served on the Board for more than 2 years.

Shri. A Satish Kumar, Director, resigned from the Board with effect from 04.09.2014 after having served on the Board for more than 2 years.

Shri. Ashok Narain, Director - RBI Nominee has completed his tenure of appointment on 02.12.2014 after having served on the Board for 2 years.



Shri. B. K. Manjunath, Director, resigned from the Board with effect from 13.01.2015 after having served on the Board for more than 6 years.

Shri. Raghuraj Gujjar, Non-Executive Chairman has completed his tenure of appointment on 25.04.2015 after having served on the Board for 2 years.

Shri R. Ravikumar, Director – RBI Nominee's nomination was replaced by the appointing authority on 14.05.2015. Mr. Ravikumar has served on the Board for more than 2 years.

Appointments:

Shri. Vivek Deep, General Manager, RBI was appointed as Additional Director – RBI Nominee on 03.12.2014 for a period of two years or till further orders whichever is earlier.

Mrs. E. V. Sumithasri was appointed as an Additional Director on 10.03.2015 pursuant to the provisions of Section 161 of the Companies Act, 2013 and classified as a Non-Executive Independent Director as per Section 149 of the Act and in terms of Clause 49 of the Listing Agreement and under Majority Sector representing Information Technology Category as per provisions of Section 10A(2)(a) of the Banking Regulation Act, 1949.

During the FY 2015, the tenure of appointment of Mr. R. Ravikumar, General Manager, RBI came to an end on 03.12.2014 and his nomination period was extended to a further period of two years or until further orders whichever is earlier by RBI vide order dated 25.11.2014. However, RBI vide Order dated 14.05.2015 appointed Shri. K. Babuji, General Manager, RBI as Additional Director in the place of Shri R. Ravikumar for a period of two years or till further orders whichever is earlier.

Re-appointments:

Shri. S. G. Prabhakaran, Director will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Key Managerial Personnel:

There were no changes in the Key managerial Personnel during the year.

28. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SEC 134(3)(C) OF COMPANIES ACT, 2013:

The Board of Directors of your Bank confirms that in the preparation of the annual accounts for the year ended March 31, 2015:

- The applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of applicable laws governing banks in India for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors had prepared the annual accounts on a going concern basis;
- The Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. SOCIAL INITIATIVES 2014-2015:

Donation

Your Bank as a responsible corporate citizen has been supporting various philanthropic activities by donating to such initiatives. Further, your bank has also taken several Initiatives in the area of CSR.

The Bank extended major donations for the following activities:

- Donated Rs.0.52 Lakhs to Karur Town Traffic Department for traffic monitoring activities.
- Contributions made to the tune of Rs.13.89 Lakhs to other philanthropic activities.


Corporate Social Responsibility (CSR):

In accordance with the directives of Government of India, Bank is required to spend 2% of the average net profit of the last 3 Financial Years or any part thereof on CSR activities. The Bank has disclosed its CSR Policy in the website and the same can be viewed at http://www.lvbank.com/download/Corporate_Social_Responsibility_policy.pdf. The Annual Report on the CSR activities undertaken during the year as per the format specified by the Ministry of Corporate Affairs is forming part of this Report and is annexed to this Report as Annexure E.

30. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 134(1)(a), the extract of Annual Return in Form MGT 9 as provided under Sub-Section (3) of Section 92 is appended to this Annual Report as Annexure F.

31. PARTICULARS OF EMPLOYEES:

The disclosures pursuant to the provisions of Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and the Disclosures pursuant to the provisions of Section 197 (12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as Annexure-G.

32. EMPLOYEES STOCK OPTION SCHEME:

In the year 2010, the shareholders of the Bank have approved the issue of shares through Stock Option Scheme. Statutory disclosures regarding ESOS as per clause 12 of SEBI (ESOS and ESOS) guidelines 1999 has been furnished in the Annexure H to this report. 500,000 options have been granted to Shri. Rakesh Sharma, Managing Director & CEO after obtaining prior approval of the RBI.

33. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The provisions of Section 134(1) (m) of the Companies Act, 2013 and the applicable rule under the Companies Accounts Rules, 2014 relating to conservation of energy and technology absorption do not apply to your Bank. The Bank has, however, used Information Technology extensively in its operations. The Bank continued to encourage the country's exports and will endeavor to enlarge its export financing.

34. DETAILS OF MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE BANK WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE BANK TO WHICH THE FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT:

There were no material changes and commitments affecting the financial position of the bank which have occurred between the end of the financial year of the bank to which the financial statement relate and the date of the report.

35. NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

As part of the social responsibility to uphold and protect the dignity of women at work place, the Bank has a well-defined policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The complaints registered under the Act, on actions covered under the ambit of Sexual Harassment at work place are handled by a committee represented by senior Executives of the Bank, a lawyer and an external member. Redressal of such complaints are dealt in a prudent manner, giving equal opportunity to both the aggrieved and the accused for representation of the case and without affecting the dignity and self-esteem of the women employee (permanent, contractual, temporary, trainee).

Number of complaints pending as on the beginning of the financial year - Nil

Number of complaints filed during the financial year - 1

Number of complaints pending as on the end of the financial year - Nil

36. WHISTLE BLOWER POLICY:

Disclosure of information in the public interest by the employees of an organization is increasingly gaining acceptance by Public bodies for ensuring better governance standards and probity in the conduct of affairs. Large scale corporate frauds had necessitated, internationally, various legislative measures for safeguarding public interest through enactments.



As a proactive measure for strengthening financial stability and with a view to enhance public confidence in the robustness of the financial sector, RBI has formulated a scheme called “Protected disclosures scheme for private sector and foreign banks”.

In the above perspective, our Bank has formulated and implemented a “Whistle Blower Policy” which is made available in the Bank’s Website and local intranet. During the year 2014-15, no personnel has been denied access to the audit committee. The Web link thereto is https://www.lvbank.com/UserFiles/File/WhistleBlowerPolicy_2015.pdf.

37. FAMILIARISATION PROGRAMME:

Pursuant to the Clause 49 (II) (7) of the Listing Agreement, the Bank has to conduct familiarization programme for newly inducted Independent Directors. In line with the same, the Bank has conducted familiarisation programme for the Independent Directors. The details of the familiarisation programme conducted is disclosed in the website of the Bank at the following link <http://www.lvbank.com/noticeshares.aspx>

38. CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS IN SECURITIES OF THE LAKSHMI VILAS BANK LIMITED:

The Bank has formulated a Code of Conduct pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 to regulate, monitor and ensure reporting of trading by the employees and other connected persons towards achieving compliance with the SEBI Regulations and is designed to maintain highest ethical standards of dealing in securities of the Bank by persons to whom it is applicable. The code of conduct and related policy are available in the Bank’s website.

39. AUDITORS:

Statutory Auditors:

The Statutory audit of the Bank was carried out by M/s. R. K. Kumar & Co, Chartered Accountants, Chennai whose report is annexed and forms part of this report. The Statutory Central and Branch Auditors have audited all the branches and other offices of the Bank.

With regard to the observations made by the Auditors ‘without qualifying’ their report dated 29.04.2015, our response to the same are furnished hereunder:-

Observation:

‘Without qualifying our opinion’, we draw attention to:

- (i) Note No.3.4.4.C of the financial statements, regarding deferment of loss to the extent of Rs.72.99 Crore on sale of advances to Asset Reconstruction Companies;

Response:

As permitted by RBI vide its circular no. RBI/502/DBOD.BP.BC.No.98/ 21.04.132/2013-14 dated 26.02.2014, the net shortfall on account of sale of assets to Reconstruction Company amounting to ₹ 100.42 crores is amortised over a period of two years. Consequently, ₹ 27.43 crore has been charged to the Profit & Loss account for the year ended 31st March 2015. The unamortized amount on this account as on 31st March 2015 is ₹ 72.99 crore.

- (ii) Note No.3.4.4.D of the financial statements, regarding deferment of loss to the extent of ₹ 40.18 Crore in respect of frauds in advances.

Response:

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 ₹ 53.54 crore, is provided over a period of four quarters. Consequently, ₹ 13.36 crore has been charged to profit & Loss account for the quarter ended 31st March 2015. The balance amount to be provided as on 31st March 2015 is ₹ 40.18 crore.

Secretarial Auditor:

Pursuant to the provisions of Companies Act 2013, the Bank has appointed Mr. K. Muthusamy, Practicing Company Secretary, Coimbatore (CoP 3176) as the Secretarial Auditor for the FY 2015. The Secretarial Audit Report dated 22.06.2015 is annexed to this report as Annexure-I. There are no qualifications, reservation or adverse remark or disclaimer in the report.

**40. ACKNOWLEDGMENTS:**

Your Directors would like to thank the shareholders and customers for their continued goodwill and support. The Board also gratefully acknowledges the guidance and co-operation received from the Reserve Bank of India and other regulatory and government authorities like SEBI, NSE, BSE, NSDL, CDSL and Department of Income Tax.

Your Directors would also like to express their sincere appreciation of the contribution made by the management and staff including the Employees' Union and Officers' Association for their support in delivering a significantly improved performance and look forward to a more evolved relationship as steps are taken to re-orient the bank for the future.

For and on behalf of the Board of Directors

K.R. Pradeep
Chairman of the Meeting

Rakesh Sharma
MD&CEO

Place : Chennai
Date : 23.07.2015



INDEPENDENT AUDITOR'S REPORT

To

The Members of Lakshmi Vilas Bank Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of The Lakshmi Vilas Bank Limited (hereinafter referred to as "the Bank"), which comprise the Balance Sheet as at 31st March, 2015 and the Profit and Loss Account and the Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of 21 branches/offices audited by us, 400 branches/offices audited by branch auditors.

Management's Responsibility for the Financial Statements

2. The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with the accounting policies and notes thereon give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013, in the manner so required for the banking companies and give a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Bank as at 31st March, 2015;
 - (ii) in the case of the Profit and Loss Account of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of cash flows for the year ended on that date.

**Emphasis of Matter**

9. Without qualifying our opinion, we draw attention to:

- (i) **Note No.3.4.4.C** of the financial statements, regarding deferment of loss to the extent of Rs.72.99 Crore on sale of advances to Asset Reconstruction Companies;
- (ii) **Note No.3.4.4.D** of the financial statements, regarding deferment of loss to the extent of Rs.40.18 Crore in respect of frauds in advances.

Report on Other Legal and Regulatory Matters

10. The Balance Sheet and the Statement of Profit and Loss have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 and Rule 7 of the Companies (Accounts) Rules, 2014.

11. As required by sub section (3) of section 30 of the Banking Regulation Act, 1949, we report that:

- (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory.
- (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
- (c) the returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

12. Further, as required by section 143(3) of the Companies Act, 2013, we report that:

- (i) We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books.
- (iii) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 143(8) of the Companies Act 2013 have been sent to us and have been properly dealt with by us in preparing this report.
- (iv) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by us in the Report are in agreement with the books of account.
- (v) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (vi) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (vii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Clause (i) of Schedule 12 of the financial statements;
 - (b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **R. K. KUMAR & CO.**
Chartered Accountants
Firm's Registration No. 001595S

(G. NAGANATHAN)
Partner

Membership Number: 022456

Place : Bangalore
Date : 29th April, 2015

BALANCE SHEET as on 31st March 2015

(₹ 000's)

	Schedule	As at 31-03-2015	As at 31-03-2014
I. CAPITAL & LIABILITIES			
a. Capital	1	179,16,66	97,56,07
b. Reserves & Surplus	2	1376,97,60	956,03,85
c. Deposits	3	21964,21,22	18572,88,21
d. Borrowings	4	458,10,00	458,10,00
e. Other Liabilities & Provisions	5	726,98,14	568,47,59
TOTAL		24705,43,62	20653,05,72
II. ASSETS			
a. Cash & Balances with Reserve Bank of India	6	1143,44,03	1192,08,25
b. Balances with Banks and Money at call & Short Notice	7	175,28,07	119,60,44
c. Investments	8	6103,78,23	5688,67,76
d. Advances	9	16352,01,90	12889,18,96
e. Fixed Assets	10	243,41,30	200,50,82
f. Other Assets	11	687,50,09	562,99,49
TOTAL		24705,43,62	20653,05,72
Contingent Liabilities	12	2903,11,92	2763,50,89
Bills for collection		632,37,73	404,52,09
Significant Accounting Policies	17		
Notes on Accounts	18		

Schedules 1 to 12 and 17 to 18 form part of this Balance Sheet.

As per our Report of Date annexed

For **M/s. R.K. KUMAR & CO**
Chartered Accountants
FRN - 001595S

G. NAGANATHAN
Partner
M. No. 022456

Bangalore
29th April, 2015

K.R. PRADEEP
Chairman of the Meeting

RAKESH SHARMA
Managing Director & CEO

M. PALANIAPPAN
Chief Financial Officer

N. RAMANATHAN
Company Secretary

D.L.N. RAO
S.G. PRABHAKHARAN
S. DATTATHREYAN
N. MALAYALARAMAMIRTHAM
PANKAJ VAISH
E.V. SUMITHASRI
VIVEK DEEP
R. RAVIKUMAR
Directors



PROFIT AND LOSS ACCOUNT for the year ended 31st March 2015

(₹ 000's)

	Schedule	Year ended 31-03-2015	Year ended 31-03-2014
I. INCOME			
a. Interest Earned	13	2214,53,09	1983,95,00
b. Other Income	14	284,03,36	203,59,23
TOTAL		2498,56,45	2187,54,23
II. EXPENDITURE			
a. Interest Expended	15	1687,87,67	1497,93,95
b. Operating Expenses	16	434,25,03	380,60,56
c. Provisions & Contingencies		244,15,16	249,34,17
TOTAL		2366,27,86	2127,88,68
III. NET PROFIT FOR THE YEAR			
Profit brought forward		6,78	8,83
TOTAL		132,35,37	59,74,38
IV. APPROPRIATIONS			
a. Transfer to Statutory Reserve		33,20,00	15,00,00
b. Transfer to Capital Reserve		4,78,60	11,19
c. Transfer to Other Reserves		41,40,00	24,00,00
d. Investment Reserve		72,74	0
e. Transfer to Special Reserve u/s 36(1)(viii) of the IT Act, 1961		9,15,00	9,15,00
f. Proposed Dividend		35,84,23	9,75,61
g. Tax on Proposed Dividend		7,16,64	1,65,80
h. Balance carried over to Balance Sheet		8,16	6,78
TOTAL		132,35,37	59,74,38
Earnings Per Share - Basic (₹)		9.16	6.11

Schedules 13 to 16 and 17 to 18 form part of this Profit & Loss Account.

As per our Report of Date annexed

For **M/s. R.K. KUMAR & CO**
Chartered Accountants
FRN - 001595S

G. NAGANATHAN
Partner
M. No. 022456

Bangalore
29th April, 2015

K.R. PRADEEP
Chairman of the Meeting

RAKESH SHARMA
Managing Director & CEO

M. PALANIAPPAN
Chief Financial Officer

N. RAMANATHAN
Company Secretary

D.L.N. RAO
S.G. PRABHAKHARAN
S. DATTATHREYAN
N. MALAYALARAMAMIRTHAM
PANKAJ VAISH
E.V. SUMITHASRI
VIVEK DEEP
R. RAVIKUMAR
Directors



(₹ 000's)

	As at 31-03-2015	As at 31-03-2014
SCHEDULE 1 - CAPITAL		
AUTHORISED CAPITAL		
(30,00,00,000 equity shares of Rs.10/- each)	<u>300,00,00</u>	<u>300,00,00</u>
ISSUED CAPITAL		
(18,06,74,986 equity shares of Rs.10/- each) (Previous year 9,83,72,564 equity shares of Rs.10/ each) 8,19,57,422 shares issued through Rights Basis and 3,45,000 shares issued under "LVB ESOS-2010" during the year.	<u>180,67,50</u>	<u>98,37,26</u>
Subscribed, Called-up and Paid Up Capital		
(179166609 equity shares of Rs.10/- each)	<u>179,16,66</u>	<u>97,56,07</u>
i) 17,91,66,609 Paid-up Capital (Previous year 9,75,60,690 shares) 8,12,60,919 shares issued through Rights Basis and 3,45,000 shares issued under "LVB ESOS-2010" during the year.		
ii) 1,26,42,131 Bonus Shares allotted (Previous year 1,26,42,131 shares)		
iii) Shares kept in abeyance 15,08,377, inclusive of Forfeited & lapsed shares. (Previous year 7,88,216 shares. Further 6,96,503 shares kept in abeyance of Right issue 2014)		
iv) Shares Forfeited and lapsed 23,658 (Previous year 23,658 shares)		
TOTAL	<u><u>179,16,66</u></u>	<u><u>97,56,07</u></u>
SCHEULE 2 - RESERVES & SURPLUS		
I. STATUTORY RESERVE		
Opening Balance	338,90,46	323,90,46
Additions during the year		
Transfer from current year's Profit	<u>33,20,00</u>	<u>15,00,00</u>
	372,10,46	338,90,46
II. CAPITAL RESERVE		
Opening Balance	52,27,94	52,16,75
Additions during the year	<u>4,78,60</u>	<u>11,19</u>
	57,06,54	52,27,94
III. SHARE PREMIUM		
Opening Balance	330,70,23	330,47,74
Additions during the year	<u>328,92,31</u>	<u>22,49</u>
	659,62,54	330,70,23
Deductions during the year	<u>0</u>	<u>0</u>
	659,62,54	330,70,23
IV. REVENUE & OTHER RESERVES		
Opening Balance	125,35,65	109,22,65
Additions during the year	<u>42,10,84</u>	<u>24,00,00</u>
	167,46,49	133,22,65
Deductions during the year	<u>0</u>	<u>7,87,00</u>
	167,46,49	125,35,65
V. SPECIAL RESERVE U/S 36(1)(VIII) OF IT ACT, 1961		
Opening Balance	32,30,00	23,15,00
Additions during the year	<u>9,15,00</u>	<u>9,15,00</u>
	41,45,00	32,30,00
VI. REVALUATION RESERVE		
Opening Balance	76,42,79	77,78,95
Additions during the year	<u>2,73,72</u>	<u>0</u>
	79,16,51	77,78,95
Depreciation on Revalued Asset	<u>70,84</u>	<u>1,36,16</u>
	78,45,67	76,42,79
VII. INVESTMENT RESERVE		
Opening Balance	0	0
Additions during the year	<u>72,74</u>	<u>0</u>
	72,74	0
Deductions during the year	<u>0</u>	<u>0</u>
	72,74	0
VIII. BALANCE IN PROFIT & LOSS ACCOUNT		
TOTAL	<u><u>1376,97,60</u></u>	<u><u>956,03,85</u></u>



(₹ 000's)

	As at 31-03-2015		As at 31-03-2014	
SCHEDULE 3 - DEPOSITS				
A. I. DEMAND DEPOSITS				
1. From Banks	55,91		1,34,90	
2. From Others	1509,30,04	1509,85,95	911,16,33	912,51,23
II. SAVINGS BANK DEPOSITS		2152,53,67		1729,73,26
III. TERM DEPOSITS				
1. From Banks	1144,53,13		1220,40,56	
2. From Others	17157,28,47	18301,81,60	14710,23,16	15930,63,72
		21964,21,22		18572,88,21
B. (I) DEPOSITS OF BRANCHES IN INDIA		21964,21,22		18572,88,21
(II) DEPOSITS OF BRANCHES OUTSIDE INDIA		NIL		NIL
TOTAL		21964,21,22		18572,88,21
SCHEDULE 4 - BORROWINGS				
I. BORROWINGS IN INDIA				
1. Reserve Bank of India	0		0	
2. Other Banks	0		0	
3. Other Institutions & Agencies*	458,10,00	458,10,00	458,10,00	458,10,00
II. BORROWINGS OUTSIDE INDIA		0		0
		458,10,00		458,10,00
* Includes unsecured Tier II bonds of ₹ 458.10 Crs (Previous year ₹ 458.10 Crs.)				
SECURED BORROWINGS				
INCLUDED IN I & II ABOVE		0		0
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS				
I. Bills payable		67,65,20		70,82,92
II. Inter-office adjustments (net)		0		8,68,31
III. Interest accrued		199,46,34		190,30,44
IV. (I) Others - (including Provisions)		385,95,35		233,74,67
(ii) Contingent Provisions against Standard Assets		55,23,00		44,71,00
(iii) Deferred Tax Liabilities		18,68,25		20,20,25
TOTAL		726,98,14		568,47,59
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA				
Cash in Hand (including Foreign Currency Notes)		237,26,54		226,50,96
Balances with Reserve Bank of India				
I) in current account		906,17,49		965,57,29
II) in other accounts		0		0
TOTAL		1143,44,03		1192,08,25



(₹ 000's)

	As at 31-03-2015	As at 31-03-2014
SCHEDULE 7 - BALANCES WITH BANKS & MONEY AT CALL AND SHORT NOTICE		
I. IN INDIA		
(i) Balance with Banks		
a. in current accounts	35,61,48	24,72,86
b. in other deposit accounts	6,25	6,25
	<u>35,67,73</u>	<u>24,79,11</u>
(ii) Money at call and short notice		
a. with banks	0	0
b. with other institutions	100,00,00	79,92,03
	<u>135,67,73</u>	<u>104,71,14</u>
II. OUTSIDE INDIA		
(I) Balance with Banks		
a. in current accounts	39,60,34	14,89,30
b. in other accounts	0	0
	<u>39,60,34</u>	<u>14,89,30</u>
TOTAL	<u><u>175,28,07</u></u>	<u><u>119,60,44</u></u>
SCHEDULE 8 - INVESTMENTS		
I. INVESTMENTS IN INDIA		
I. Government Securities [incl. treasury bills, & zero coupon bonds]	5156,39,21	4774,09,73
II. Other approved securities	0	0
III. Shares	41,11,73	38,80,05
IV. Debentures & Bonds	374,12,95	265,35,60
V. Subsidiaries and Joint Ventures	0	0
VI. Others [including Commercial Paper, Mutual Funds, NSC, Security Receipt, Units, etc.]	532,14,34	610,42,38
	<u>6103,78,23</u>	<u>5688,67,76</u>
GROSS INVESTMENTS IN INDIA	6145,47,69	5731,95,67
LESS: DEPRECIATION	41,69,46	43,27,91
NET INVESTMENTS IN INDIA	6103,78,23	5688,67,76
II. INVESTMENTS OUTSIDE INDIA		
TOTAL	<u><u>NIL</u></u>	<u><u>NIL</u></u>
	<u><u>6103,78,23</u></u>	<u><u>5688,67,76</u></u>



(₹ 000's)

	As at 31-03-2015	As at 31-03-2014
SCHEDULE 9 - ADVANCES		
A.		
I. Bills purchased & discounted	1045,15,57	861,78,20
II. Cash credits, overdrafts & loans repayable on demand	9727,27,75	8176,29,33
III. Term loans	5579,58,58	3851,11,43
	<u>16352,01,90</u>	<u>12889,18,96</u>
B. PARTICULARS OF ADVANCES		
I. Secured by tangible assets [incl. advances against Book Debts]	15522,15,56	12108,26,17
II. Covered by Bank / Govt. Guarantees	59,85,38	20,03,91
III. Unsecured	770,00,96	760,88,88
	<u>16352,01,90</u>	<u>12889,18,96</u>
C. SECTORAL CLASSIFICATION OF ADVANCES		
I. Priority Sector	5672,92,68	5254,86,93
II. Public Sector	12,50,51	1,02,80
III. Banks	25,30	10,25,41
IV. Others	10666,33,41	7623,03,82
TOTAL	<u>16352,01,90</u>	<u>12889,18,96</u>
SCHEDULE 10 - FIXED ASSETS		
I. PREMISES		
At Revaluation Value	140,35,30	138,67,31
Additions during the year	5,02,93	1,67,99
	<u>145,38,23</u>	<u>140,35,30</u>
Deductions during the year	0	0
	<u>145,38,23</u>	<u>140,35,30</u>
Depreciation to date	13,23,65	18,25,96
	<u>132,14,58</u>	<u>122,09,34</u>
II. OTHER FIXED ASSETS (INCLUDING FURNITURE & FIXTURES)		
At Cost	251,57,35	219,75,84
Additions during the year	54,44,98	34,24,57
	<u>306,02,33</u>	<u>254,00,41</u>
Deductions during the year	2,30,42	2,43,06
	<u>303,71,91</u>	<u>251,57,35</u>
Depreciation to date	192,45,19	173,15,87
	<u>111,26,72</u>	<u>78,41,48</u>
TOTAL	<u>243,41,30</u>	<u>200,50,82</u>



(₹ 000's)

	As at 31-03-2015	As at 31-03-2014
SCHEDULE 11 - OTHER ASSETS		
I. Inter-Office Adjustments (net)	2,89,66	0
II. Interest Accrued	144,83,70	124,40,54
III. Tax Paid in Advance and Tax Deducted at Source (Net)	51,20,42	155,45,20
IV. Deferred Tax Asset	93,90,41	81,32,41
V. Stationery & Stamps	2,28,22	2,57,59
VI. Non Banking Assets acquired in satisfaction of claims	72,18,13	66,93,55
VII. Others	320,19,55	132,30,20
TOTAL	<u>687,50,09</u>	<u>562,99,49</u>
SCHEDULE 12 - CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	210,81,50	126,81,98
II. Liability for partly paid Investments	0	0
III. Liability on account of outstanding forward exchange contracts	912,29,35	968,91,18
IV. Guarantees given on behalf of constituents		
In India	574,32,77	484,09,41
Outside India	97,89,76	112,77,88
V. Acceptances, Endorsements & Other Obligations	1097,68,58	1070,90,44
VI. Other items for which the Bank is contingently liable	10,09,96	0
TOTAL	<u>2903,11,92</u>	<u>2763,50,89</u>
	Year ended 31-03-2015	Year ended 31-03-2014
SCHEDULE 13 - INTEREST EARNED		
I. Interest / discount on advances / bills	1708,89,66	1591,61,24
II. Income on Investments	479,93,80	382,66,81
III. Interest on balance with Reserve Bank of India & other inter-bank Funds	8,23,81	3,65,78
IV. Others	17,45,82	6,01,17
TOTAL	<u>2214,53,09</u>	<u>1983,95,00</u>



(₹ 000's)

	Year ended 31-03-2015	Year ended 31-03-2014
SCHEDULE 14 - OTHER INCOME		
I. Commission, Exchange and Brokerage	119,38,73	83,64,49
II. Profit on sale of Investments	51,61,85	35,68,76
Less: Loss on sale of Investments	1,30,97	15,14,37
III. Profit on sale of land, Buildings & Other Assets	2,66	11,31
Less: Loss on sale of land, Buildings & Other Assets	34,99	7,49
IV. Profit on Exchange Transactions	1,74,015	14,34,33
Less: Loss on Exchange Transactions	0	0
V. Income earned by way of Dividends from Companies in India.	95,57	43,87
VI. Miscellaneous Income	96,30,36	84,58,33
TOTAL	284,03,36	203,59,23
SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on Deposits	1626,37,30	1431,43,78
II. Interest on Reserve Bank of India / Inter-Bank Borrowings	61,50,37	66,50,17
TOTAL	1687,87,67	1497,93,95
SCHEDULE 16 - OPERATING EXPENSES		
I. Payments to and Provision for Employees	230,35,01	187,87,65
II. Rent, Taxes & Lighting	47,06,89	38,87,25
III. Printing & Stationery	4,97,93	4,74,26
IV. Advertisement & Publicity	3,77,96	1,97,31
V. Depreciation on Bank's Property	15,54,48	23,58,34
VI. Directors' fees, allowances	78,00	62,85
VII. Auditors' fees & Expenses (incl. Branch Auditors)	1,10,15	92,24
VIII. Law Charges	1,43,88	1,74,32
IX. Postage, Telegrams, Telephones, etc.,	11,61,44	8,29,55
X. Repairs & Maintenance	3,61,59	2,45,85
XI. Insurance	19,15,23	16,21,01
XII. Other Expenditure	94,82,47	93,29,93
TOTAL	434,25,03	380,60,56

**SCHEDULE 17****SIGNIFICANT ACCOUNTING POLICIES****A. BASIS OF ACCOUNTING:**

The financial statements are prepared following the going concern concept, on historical cost basis unless otherwise stated and conform to the Generally Accepted Accounting Principles, (GAAP) in India which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI) from time to time, Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and current practices prevailing in the banking industry in India.

B. USE OF ESTIMATES:

The preparation of the financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities including contingent liabilities as of the date of the financial statements and the reported income and expenses during the reported period. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The differences, if any between estimates and actual will be dealt appropriately in future periods.

C. PRINCIPAL ACCOUNTING POLICIES**1. TRANSACTIONS INVOLVING FOREIGN EXCHANGE:**

- (a) Foreign Currency Assets and Liabilities are evaluated at the exchange rates prevailing at the close of the year as per the guidelines issued by FEDAI. The resultant profit or loss is accounted for.
- (b) Income and Expenditure in foreign currency are translated at the exchange rates prevailing on the date of the respective transaction.
- (c) Outstanding forward exchange contracts in each currency are revalued at the Balance Sheet date at the corresponding forward rates for the residual maturity of the contract, in accordance with the guidelines of FEDAI and the provisions of AS-11, The difference between revalued amount and the contracted amount is recognized as profit or loss, as the case may be.
- (d) Contingent liabilities on guarantees, letters of credit, acceptances and endorsements are reported at the rates prevailing on the Balance Sheet date.

2. INVESTMENTS:

- (a) Investments are categorized under the heads 'Held to Maturity', Available for Sale, and 'Held for Trading' and are valued in accordance with the guidelines of the Reserve Bank of India.
- (b) Brokerage / commission etc, paid in connection with the acquisition of investments is charged to revenue and not included in cost.
- (c) Broken period interest paid / received on debt instruments is treated as interest expended / income.
- (d) Security receipts are valued at NAV as declared by Securitisation Companies.
- (e) The excess of acquisition cost over the face value of securities under "Held to Maturity" category is amortised over the remaining period to maturity.

3. ADVANCES:**3.1 In accordance with the prudential norms issued by RBI:**

- (a) Advances are classified into standard, sub-standard, doubtful and loss assets borrower-wise;
- (b) Provisions are made for loan losses, and
- (c) General provision for standard advances is made.

3.2 Advances disclosed are net of provisions made for non-performing assets, ECGC claims settled, part recovery towards NPA accounts receipts held under sundries, and provision made for sacrifice of interest / diminution in the value of restructured advances measured in present value terms as per RBI guidelines.

4. FIXED ASSETS AND DEPRECIATION:

- (a) Fixed assets are accounted for at their historical cost except for Land and Building revalued in 2011 which are accounted at their revalued cost.



- (b) Software is capitalised along with computer hardware and included under Other Fixed Assets.
- (c) Depreciation on assets other than computers are provided on Straight Line Method after considering the useful life specified in Schedule II to the Companies Act, 2013 except for hand held communication devices which are depreciated in full considering the fast changing technology and obsolescence.
- (d) Depreciation on computers and Software are provided for on straight-line method at the rate of 33.33% as per the guidelines issued by the Reserve Bank of India.
- (e) Depreciation for premises, in which land cost and construction cost could not be ascertained separately, is provided on the total cost.

5. EMPLOYEE BENEFITS:

- (a) Annual contributions to the approved Employees' Gratuity Fund, Approved Pension Fund and Provision for Leave Encashment benefits are made on actuarial basis and net actuarial gain/loss are recognised as per Accounting Standard 15. Contribution made by the bank to Provident Fund and Contributory Pension Scheme are charged to Profit & Loss account.
- (b) The Bank follows the intrinsic value method to account for its employee compensation costs arising from grant of Employee Stock Options.

6. PROVISION FOR TAXATION:

Provision for taxation is made on the basis of the estimated tax liability, after due consideration of the judicial pronouncements and legal opinion, with adjustment for deferred tax in terms of the Accounting Standard 22 (Accounting for Taxes on Income).

7. REVENUE RECOGNITION:

- (a) Income is accounted for on accrual basis.
- (b) Interest income on non-performing advances/investments are recognized on realization basis, owing to the significant uncertainty in collection thereof:
- (c) Interest on tax refund from Income Tax Department is accounted based on assessment orders received.
- (d) Dividend Income on Investments is accounted based on declaration basis.

8. SEGMENT REPORTING:

- (a) The Bank recognises the Business Segment as the Primary Reporting Segment and Geographical Segment as the Secondary Reporting Segment, in accordance with the RBI guidelines and in compliance with the Accounting Standard 17.
- (b) Business Segment is classified into (a) Treasury (b) Corporate and Wholesale Banking, (c) Retail Banking and (d) Other Banking Operations.
- (c) Geographical Segment consists only of the Domestic Segment since the Bank does not have any foreign branches.

9. EARNING PER SHARE:

Basic and Diluted earnings per equity share are reported in accordance with the Accounting Standard 20 "Earnings per share". Basic earnings per equity share are computed by dividing net profit by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

10. IMPAIRMENT OF ASSETS

The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

11. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- (a) As per the Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.
- (b) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realised.

**12. NET PROFIT:**

The net profit as per the Profit & Loss account is arrived at after necessary provisions towards: –

- a) Taxation.
- b) Advances and other assets.
- c) Shortfall in the value of investments
- d) Staff Retirement benefits.
- e) Other usual and necessary provisions.

SCHEDULE 18**NOTES ON ACCOUNTS**

1. The reconciliation of inter branch transactions has been completed upto 31.03.2015 and tallying of balances is ensured on an ongoing basis.
2. Issue of Shares - Right Issue:
8,19,57,422 equity shares of face value of ₹ 10 each fully paid up were issued on rights basis for a price of ₹ 50 per equity share, including share premium of ₹ 40 per equity share in all aggregating to ₹ 406.30 Crore.

3. DISCLOSURE REQUIREMENTS**3.1 Capital**

(₹ in crore)

Items	2014-15	2013-14
i) Common Equity Tier 1 Capital Ratio (%) - (Basel-III)	9.33	7.87
ii) Tier 1 Capital Ratio (%)	9.33	7.87
iii) Tier 2 Capital Ratio (%)	2.01	3.03
iv) Total Capital Ratio (CRAR) (%)	11.34	10.90
v) Percentage of the shareholding of the Government of India in public sector bank	NA	NA
vi) Amount of equity capital raised	81.61	NA
vii) Amount of Additional Tier 1 capital raised, of which PNCPS : PDI :	NIL	NIL
viii) Amount of Tier II Capital raised, of which Debt capital instruments Preference Share Capital instruments	NIL	78.10

- 3.2.1 In respect of securities held under HTM category, premium paid of ₹ 8.45 Crore (previous year ₹ 7.55 Crore) has been amortized during the year and debited under interest received on Government Securities.

3.2.2 INVESTMENTS

(₹ in crore)

Particulars	2014-15	2013-14
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	6145.48	5731.96
(b) Outside India.	NIL	NIL
(ii) Provisions for Depreciation		
(a) In India	41.69	43.28
(b) Outside India	NIL	NIL
(iii) Net Value of Investments		
(a) In India	6103.79	5688.68
(b) Outside India.	NIL	NIL

**3.2.2 INVESTMENTS** (Contd.)

(₹ in crore)

Particulars	2014-15	2013-14
(2) Movement of provisions held towards Depreciation on investments.		
(i) Opening balance	43.28	23.39
(ii) Add: Provisions made during the year	19.92	27.46
(iii) Less: Write-off / write-back of excess provisions during the year	21.51	7.57
(iv) Closing Balance	41.69	43.28

3.2.3 Repo Transactions (in face value terms)

(₹ in crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding As on March 31, 2015
Securities sold under repo				
I. Government Securities	18.72 (5.00)	447.20 (250.00)	79.98 (109.70)	254.80 (38.48)
II. Corporate debt Securities	Nil	Nil	Nil	Nil
Securities purchased under reverse repo				
I. Government Securities	10.40 (5.00)	208.00 (100.00)	38.22 (3.25)	114.40 (Nil)
II. Corporate debt Securities	Nil	Nil	Nil	Nil

(Figures in bracket indicates in previous year)

3.2.4 Non-SLR Investment Portfolio**i) Issuer composition of Non SLR investments:**

(₹ in crore)

No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	122.10	86.00	–	–	–
2	FIs	56.50	36.00	–	–	–
3	Banks	238.53	31.99	–	–	–
4	Private Corporate	274.49	199.36	18.79	18.79	18.79
5	Subsidiaries / Joint Ventures	0	–	–	–	–
6	Others**	297.02	222.24	–	–	–
7	Less: Provision held towards depreciation	41.25	–	–	–	–
	Total	947.39	575.59	18.79	18.79	18.79

** Others include RIDF investments of ₹ 52.62 Crore, Mutual Fund of ₹ 22.16 Crore and ARCs security receipts of ₹ 222.24 Crore.



ii) Non-performing Non-SLR investments :

(₹ In crore)

Particulars	2014-15	2013-14
i) Net NPIs to Net Investment (%)	–	–
ii) Movement of NPIs (Gross)		
Opening balance	8.74	7.82
Additions during the year	2.04	0.92
Reductions during the above period	0.00	0.00
Closing balance	10.78	8.74
iii) Movement of Net NPIs		
Opening balance	–	–
Additions during the year	–	–
Reductions during the above period	–	–
Closing balance	–	–
iv) Movement of provision for NPIs	0.00	
Opening balance	7.10	6.18
Additions during the year	2.04	0.92
Reductions during the above period	0.00	0.00
Closing balance (*)	9.14	7.10

(*) An amount of ₹ 1.64 crore received towards part settlement is parked under sundries account.

3.2.5 Sale and transfers to / from HTM category:

During the year, the value of sales and transfers of securities to / from HTM category has not exceeded 5% of book value of the investment held in HTM category at the beginning of the year.

3.3 Derivatives

3.3.1 Forward Rate Agreement/ Interest Rate Swap:

(₹ In crore)

Particulars	2014-15	2013-14
i) The notional principal of swap agreements	NIL	NIL
ii) Losses which would be incurred if counter parties failed to fulfill obligations under the agreements	NIL	NIL
iii) Collateral required by the bank upon entering into swaps	NIL	NIL
iv) Concentration of credit risk arising from the swaps	NIL	NIL
v) The fair value of the swap book	NIL	NIL

3.3.2 Exchange Traded Interest Rate Derivatives:

(₹ In crore)

S.No.	Particulars	2014-15	2013-14
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	NIL	NIL
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2015 (instrument-wise)	NIL	NIL
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL

3.3.3 Disclosures on risk exposure in derivatives

Qualitative Disclosure:

The only derivative dealt by the bank in the Foreign exchange market is Forward contract. Forward contracts are being used to hedge/cover the exposure in the foreign exchange arising out of merchant transaction and trading positions.



To cover the risk arising out of the above derivatives, various limits like AGL, IGL and Stop Loss Limits have been prescribed in the Treasury Policy of the bank, which are monitored by mid office. The Mark-to Market values are monitored on monthly basis for Foreign Exchange Forward Contracts. The operations are conducted in terms of the policy guidelines issued by RBI from time to time.

Quantitative Disclosures:

(₹ in crore)

Sl. No.	Particular	Currency Derivatives	Interest rate Derivatives
(i)	Derivatives (Notional Principal Amount)	NA	NA
	a) For hedging	NA	NA
	b) For trading	NA	NA
(ii)	Marked to Market Positions	NA	NA
	a) Asset (+)	NA	NA
	b) Liability (-)	NA	NA
(iii)	Credit Exposure	NA	NA
(iv)	Likely impact of one percentage change in interest rate (100*PV01)	NA	NA
	a) On hedging derivatives	NA	NA
	b) On trading derivatives	NA	NA
(v)	Maximum and Minimum of 100*PV01 observed during the year	NA	NA
	a) On hedging	NA	NA
	b) On trading	NA	NA

3.3.4 Shifting of securities:

For the year ended 31.03.2015, Bank has shifted securities amounting to ₹ 95.00 Crore (face value) (previous year ₹ 642.76 Crore) from HTM to AFS category and loss amounting to ₹ 0.12 Crore, which arose on such transfer has been provided during the year.

3.3.5 SLR Securities:

(₹ in crore)

Particulars	As at 31.03.2015		As at 31.03.2014	
	Book Value	Market Value	Book Value	Market Value
Government Securities * SLR (CG, SG, TB)	5156.84	5191.82	4788.52	4453.14
Approved securities - SLR	0.00	0.00	0.00	0.00

* Net of securities pledged under REPO ₹ 140.40 Crore (PY ₹ 38.48 Crore).

3.4 Asset Quality**3.4.1 Non-Performing Assets:**

(₹ in crore)

Particulars	2014-15	2013-14
(i) Net NPAs to Net Advances (%)	1.85%	3.44%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	546.46	459.91
(b) Additions during the year	256.30	668.69
(c) Reductions during the year	348.14	582.14
(d) Closing balance	454.62	546.46
(iii) Movement of Net NPAs		
(a) Opening balance	443.39	283.81
(b) Additions during the year	229.97	322.43
(c) Reductions during the year	370.87	162.85
(d) Closing balance	302.49	443.39
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	53.23	100.30
(b) Provisions made during the year	138.35	247.92
(c) Write-off/ write-back of excess provisions	75.23	294.99
(d) Closing balance	116.35	53.23



Sl. No.		Type of Restructuring		Disclosure of Restructured Accounts												Total					
				Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others									
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total					
1.	No. of borrowers	10	2	1	0	13	1	0	0	0	1	42	5	26	3	76	53	7	27	3	90
	Amount outstanding	321.39	46.57	3.21	0.00	371.17	4.38	0.00	0.00	0.00	4.38	345.32	39.54	120.50	3.89	509.25	671.09	86.11	123.71	3.89	884.80
	Provision thereon	21.49	1.78	0.15	0.00	23.42	0.00	0.00	0.00	0.00	0.00	3.50	1.68	0.46	0.00	5.64	24.99	3.46	0.61	0.00	29.06
2.	No. of borrowers	7	0	0	0	7	0	0	0	0	0	12	1	2	1	16	19	1	2	1	23
	Amount outstanding	378.78	0.00	0.00	0.00	378.78	0.00	0.00	0.00	0.00	0.00	157.08	11.12	26.13	52.15	246.48	535.86	11.12	26.13	52.15	625.26
	Provision thereon	2.04	0.00	0.00	0.00	2.04	0.00	0.00	0.00	0.00	0.00	0.48	0.00	0.65	0.00	1.13	2.52	0.00	0.65	0.00	3.17
3.	No. of borrowers	1	0	0	0	1	0	0	0	0	0	1	0	0	0	1	2	0	0	0	2
	Amount outstanding	49.11	0.00	0.00	0.00	49.11	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.01	49.12	0.00	0.00	0.00	49.12
	Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	No. of borrowers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Amount outstanding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



Sl. No.	Type of Restructuring	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total							
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total					
4.	restructured standard advances at the beginning of the next FY																				
	No. of borrowers	0	0	0	0	0	0	0	0	0	0	0	1	3	5	0	1	1	3	5	
	Amount outstanding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	7.28	0.01	7.34	0.00	0.05	7.28	0.01	7.34	
5.	Downgradations of restructured accounts during the FY																				
	Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	Write-offs of restructured accounts during the FY																				
	No. of borrowers	4	1	1	0	6	0	0	0	0	0	0	2	7	20	14	3	8	1	26	
	Amount outstanding	87.50	2.19	3.21	0.00	92.90	0.00	0.00	0.00	0.00	34.54	0.01	74.21	0.00	108.76	122.04	2.20	77.42	0.00	201.66	
7.	Restructured Accounts as on March 31 of the FY (closing figures*)																				
	No. of borrowers	14	0	0	0	14	1	0	0	1	44	3	19	6	72	59	3	19	6	87	
	Amount outstanding	666.38	0.00	0.00	0.00	666.38	4.42	0.00	0.00	4.42	462.54	45.61	79.69	56.05	643.89	1133.34	45.61	79.69	56.05	1314.69	
	Provision thereon	6.44	0.00	0.00	0.00	6.44	0.00	0.00	0.00	2.25	0.00	0.00	0.65	0.00	2.90	8.69	0.00	0.65	0.00	9.34	

Opening figures have been regrouped/reclassified wherever considered necessary. Provision thereon does not include Standard Account additional provision of ₹ 39.74 Crore (including investment under CDR package) and FITL provision of ₹ 69.10 Crore.

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).



3.4.3 Details of financial assets sold to Securitization / Reconstruction Company for Asset Reconstruction

(₹ in crore)

Particulars	2014-15	2013-14
(i) No. of accounts	1517	7
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	242.48	34.17
(iii) Aggregate consideration	119.38	45.59
(iv) Additional consideration realized in respect of accounts transferred in earlier years	0.00	0.00
(v) Aggregate profit/ (loss) loss over net book value.	(123.10)	11.42

3.4.4. Details of non-performing financial assets purchased / sold:

A. Details of non-performing financial assets purchased:

(₹ in crore)

Particulars	2014-15	2013-14
1 (a) No. of accounts purchased during the year	NIL	NIL
(b) Aggregate outstanding	NIL	NIL
2 (a) Of these, number of accounts restructured during the year	NIL	NIL
(b) Aggregate outstanding	NIL	NIL

B. Details of non-performing financial assets sold:

(₹ in crore)

Particulars	2014-15	2013-14
1. No. of accounts sold	NIL	NIL
2. Aggregate outstanding	NIL	NIL
3. Aggregate consideration received	NIL	NIL

C. Disclosure regarding amortization of Loss on sale of assets to ARCs:

The net shortfall on account of sale of assets to reconstruction companies amounting to ₹ 100.42 crore is being amortized over a period of 2 years, as per RBI circular No. RBI/502/DBOD.BP.BC.No. 98/21.04.132/2013-14 dated 26-02-2014. Consequently, ₹ 27.43 Crore has been charged to Profit & Loss account for the year ended 31st March 2015. The unamortized amount on this account as on 31st March 2015 is ₹ 72.99 Crore.

D. Disclosure regarding amortization of fraud related advances:

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 ₹ 53.54 crore, is being provided over a period of four quarters. Consequently, ₹ 13.36 crore has been charged to profit & Loss account for the quarter ended 31st March 2015. The balance amount to be provided as on 31st March 2015 is ₹ 40.18 crore.

3.4.5 Provisions on Standard Assets:

(₹ in crore)

Particulars	2014-15	2013-14
Provisions towards Standard Assets	55.23	44.71

3.4.6 NPA Assets Sold to ARC:

(₹ in crore)

Particulars	Backed by NPAs sold by the bank as underlying		Backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Book value of investments in security Receipts	178.00	134.56	0.00	0.00	178.00	134.56



3.5. Business Ratios:

Particulars	2014-15	2013-14
(i) Interest Income as a percentage to Working Funds	10.16	10.46
(ii) Non-interest income as a percentage to Working Funds	1.30	1.07
(iii) Operating Profit as a percentage to Working Funds	1.73	1.63
(iv) Return on Assets	0.61	0.32
(v) Business (Deposits plus advances) per employee (₹ in crore)	10.85	9.23
(vi) Profit per employee (₹ in lakhs)	3.82	1.81

3.6 Asset Liability Management:

Maturity pattern of certain items of assets and liabilities

(₹ in crore)

Items	1 Day	2 to 7 days	8 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	241.69 (154.36)	423.42 (351.18)	769.57 (325.88)	687.62 (664.93)	2605.76 (2192.47)	2400.11 (2718.56)	4197.23 (3916.85)	6172.48 (4978.74)	1244.87 (980.98)	3221.46 (2288.93)	21964.21 (18572.88)
Advances (Net)	189.48 (161.19)	407.76 (367.71)	399.76 (392.46)	694.79 (666.95)	3435.33 (2469.82)	937.05 (655.56)	1850.89 (1649.95)	6444.97 (5083.78)	699.34 (605.96)	1292.66 (835.80)	16352.02 (12889.19)
Investments (Net)	165.70 (9.97)	78.84 (180.97)	0.00 (0.00)	115.99 (152.64)	247.22 (92.17)	166.02 (48.19)	127.39 (95.63)	532.28 (314.64)	643.10 (720.55)	4027.26 (4073.92)	6103.78 (5688.68)
Borrowings	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	100.00 (0.00)	229.50 (130.00)	0.00 (199.50)	128.60 (128.60)	458.10 (458.10)
Foreign Currency Assets	69.68 (35.85)	0.22 (0.00)	0.00 (0.00)	1.09 (1.03)	16.99 (28.15)	24.43 (24.96)	13.72 (5.79)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	126.13 (95.78)
Foreign Currency Liabilities	25.74 (19.86)	0.25 (0.00)	0.00 (0.13)	0.10 (0.35)	0.54 (0.44)	1.29 (1.60)	14.39 (9.70)	8.45 (3.51)	7.97 (4.95)	0.00 (0.00)	58.73 (40.54)

(Figures in brackets indicates in previous year).

The above data has been compiled by the management on the basis of the guidelines of RBI which have been relied upon by Auditors.

3.7 Exposures

3.7.1 Exposure to Real Estate Sector:

(₹ in crore)

Category	2014-15	2013-14
a) Direct exposure		
(i) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans eligible for inclusion in priority sector advances may be shown separately).	325.85	284.00
(ii) Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.). Exposure would also include non-fund based (NFB) limits;	819.14	312.35



3.7.1 Exposure to Real Estate Sector (Contd.)

(₹ in crore)

Category	2014-15	2013-14
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
(a) Residential	0.00	0.00
(b) Commercial Real Estate	0.00	0.00
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	36.53	3.56
Total Exposure to Real Estate Sector	1181.52	599.91

3.7.2 Exposure to Capital Market:

(₹ in crore)

Particulars	2014-15	2013-14
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	30.13	33.94
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	2.26	2.41
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	0.31	0.51
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e., where the primary security other than shares/convertible bonds/convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	NIL	NIL
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	10.62	5.60
(vi) Loans sanctioned to corporates against the security of shares / bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
(vii) Bridge loans to companies against expected equity flows / issues;	NIL	NIL
(viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	NIL	NIL
(ix) Financing to stockbrokers for margin trading;	NIL	NIL
(x) All exposures to Venture Capital Funds (both registered and unregistered)	NIL	NIL
Total Exposure to Capital Market	43.32	42.46

The exposure to capital market of ₹ 43.32 Crore is within the limit of ₹ 360.16 crore (i.e. 40% of Bank's Net Worth ₹ 900.40 Crore as on 31.03.2014). The direct exposure to capital market is ₹ 30.13 Crore and is within 20% of bank's Net Worth amounting to ₹ 180.08 crore (i.e. 20% of Banks Net worth ₹ 900.40 Crore as on 31.03.2014).

**3.7.3 Risk Category wise Country Exposure (As compiled by Management):**

(₹ in crore)

Risk Category*	Exposure (net) as at 31.3.2015	Provision held as at 31.3.2015	Exposure (net) as at 31.3.2014	Provision held as at 31.3.2014
Insignificant	111.30	NIL	83.70	NIL
Low	73.68	NIL	61.94	NIL
Moderate	3.76	NIL	19.09	NIL
High	0.15	NIL	1.03	NIL
Very High	0.00	NIL	1.05	NIL
Restricted	0.00	NIL	1.48	NIL
Off-credit	0.00	NIL	0.00	NIL
Total	188.68	NIL	168.29	NIL

* As the bank's exposure for the year in respect of risk category wise country exposure (Foreign exchange transactions) is less than 1% of total assets of the bank, no provision is considered necessary.

3.7.4 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the bank. (As compiled by management)

- A. SBL exceeded by the Bank for the period 01.04.2014 to 31.03.2015 NIL (PY NIL)
 B. GBL exceeded by the Bank for the period from 01.04.2014 to 31.03.2015 NIL (PY NIL)

3.7.5. Unsecured Advances (Amount of Advances for which, intangible securities has been taken):

(₹ In crore)

Particulars	As on 31-3-2015	As on 31-3-2014
The total amount of Advances for which intangible Securities such as charge over the rights, licenses, Authority etc. has been taken.	33.64	47.96
Estimated value of such intangible collaterals	104.50	123.86

3.8 Miscellaneous**3.8.1 Disclosure of Penalties imposed by RBI:**

No penalties were imposed by Reserve Bank of India during the year.

4. Disclosure in terms of Accounting Standards:**4.1 Accounting Standard 5: Net Profit or Loss for the period, prior period items and changes in Accounting Policies:**

There are no material prior period income and expenditure included in the Profit & Loss account, which requires a disclosure as per Accounting Standard 5.

4.2 Accounting Standard 9: Revenue Recognition:

Bank is following accrual method of accounting and hence no disclosure is warranted under Accounting Standard 9.

4.3 Accounting Standard 15 - Employee Benefits**4.3.1 The bank is following Accounting Standard 15 (Revised 2005) "Employee Benefits" as under:**

- (1) In respect of contributory plans namely - Provident Fund and Contributory Pension Scheme, the bank pays fixed contribution at pre-determined rates to a separate entity, which invests in permitted securities. The obligation of the bank is limited to such fixed contribution.
- (2) In respect of Defined Benefit Plans, viz. Gratuity and Pension as well as for Leave Encashment, provision has been made based on actuarial valuation as per the guidelines.

Retirement benefits to employees:

- a) The summarized position of Post-employment benefits and long term employee benefits recognized in the profit and loss account and balance sheet as required in accordance with the Accounting Standard -15 (Revised) are as under:



I. Principal Actuarial Assumptions at the Balance Sheet Date:

(Expressed as weighted Averages)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Discount Rate	7.90%	7.90%	7.90%
Salary Escalation Rate	5.50%	5.50%	5.50%
Attrition Rate	4.00%	4.00%	4.00%
Expected Rate of return on Plan Assets	9.50%	9.50%	NA

II. Change in the Present Value of Obligations:

(₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Present Value of obligations as at the beginning of the year	65.73	229.05	33.80
Interest Cost	5.58	16.65	2.52
Current Service Cost	5.68	10.44	4.52
Past service cost (non-vested benefits)	0.00	0.00	0.00
Past service cost (vested benefits)	0.00	0.00	0.00
Benefits Paid	-8.72	-36.70	-3.79
Actuarial loss / (gain) on obligation (balancing figure)	0.62	19.04	0.99
Present Value of obligations as at the year end	68.89	238.48	38.04

III. Change in Fair Value of Plan Asset:

(₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Fair value of Plan Assets at the beginning of the year	58.09	202.20	
Expected return on Plan Assets	5.65	20.87	
Employer's Contribution	5.76	55.03	3.79
Benefits Paid	-8.72	-36.70	-3.79
Actuarial loss/(gain) on plan assets (balancing figure)	0.11	-4.18	
Fair Value of Plan Asset at the end of the year	60.89	237.22	

IV. Actual Return on Plan Assets:

(₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Expected return on plan assets	5.65	20.87	-
Actuarial gain/(loss) on plan assets	0.11	-4.18	-
Actual return on plan assets	5.76	16.69	-

**V. Actuarial Gain / Loss recognized:**

(₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Actuarial gain/(loss) for the Period - Obligation	0.62	19.05	0.99
Actuarial gain/(loss) for the Period - Plan Assets	0.11	-4.18	-
Total (gain)/loss for the period	0.51	23.23	0.99
Actuarial (gain)/loss recognized in the period	0.51	23.23	0.99
Unrecognized actuarial (gain)/loss at the end of the year	0.00	0.00	0.00

VI. Amount recognized in Balance Sheet:

(₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Present value of the Obligation	68.89	238.48	38.04
Fair value of plan assets	-60.89	-237.22	0.00
Difference	8.00	1.26	38.04
Unrecognized Transitional liability	0.00	0.00	0.00
Unrecognized past service cost (non vested benefits)	0.00	0.00	0.00
Liability recognized in the Balance Sheet	8.00	1.26	38.04

VII. Expenses Recognized in Profit & Loss Account:

(₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Current Service Cost	5.68	10.44	4.52
Interest Cost	5.58	16.65	2.52
Expected return on Plan assets	-5.65	-20.87	0.00
Net actuarial (gain)/loss recognized in the year	0.51	23.23	0.99
Transitional Liability recognized in the year	0.00	0.00	0.00
Past service cost (non-vested benefits)	0.00	0.00	0.00
Past service cost (vested benefits)	0.00	0.00	0.00
Expenses Recognized in Profit & Loss Account	6.12	29.45	8.03

VIII. Movements in the Liability Recognized in the balance Sheet

(₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Opening net Liability	7.64	26.85	33.80
Opening amount determined under para 55 of AS15R	0.00	0.00	0.00
Expense as Above	6.12	29.44	8.03
Contribution paid	-5.76	-55.03	-3.79
Closing Net Liability	8.00	1.26	38.04

**IX. Amount for the Current Period:**

(₹ in crore)

Particulars	Gratuity (Funded)	Pension (Funded)	Leave Encashment (Unfunded)
Present value of Obligation	68.89	238.48	38.04
Plan Assets	60.89	237.22	0.00
Surplus/(Deficit)	8.00	1.26	38.04
Experience adjustments on Plan Liabilities - (loss)/gain	-3.47	3.71	-1.97
Experience adjustments on Plan Assets - (loss)/gain	0.11	-4.18	-

X. Major categories of Plan Assets:

(As % of Total Plan Assets)

Particulars	Gratuity (Funded)	Pension (Funded)
Government of India Securities	11.44	7.07
State Government Securities	52.16	37.59
High Quality Corporate Bonds	25.12	25.38
Equity Share of listed companies	0.00	0.00
Property	0.00	0.00
Special Deposit Scheme	1.50	0.00
Balance with Bank Account	1.64	1.13
Balance held at LIC India's Running account	0.00	5.61
Annuity under Return of Purchase Price	0.00	20.65
Others (Amount receivable from Bank)	8.14	2.57
Total	100.00	100.00

XI. Enterprises Best Estimate:

(₹ in crore)

Particulars	Gratuity	Pension	Privilege Leave
Enterprise's Best Estimate of Contribution during next year	10.52	36.42	-

4.3.2 Employee Stock Option Scheme:

During the year, the Compensation Committee of the Board of Directors in its meeting on 14.05.2014 has granted 5,00,000 stock options, grant date being 12.05.2014, to MD & CEO of the Bank under LVB ESOS 2010 at an exercise price of ₹ 36.95 per option. These options would vest over a period of 1 to 2 years.

As on 31st March, 2015, the options in force are 5,45,000. The Bank has provided ₹ 3.79 Crore being the proportionate compensation expenses for the period upto 31st March 2015.



4.4. Accounting Standard 17 - Segment Reporting:

PART A : BUSINESS SEGMENTS

(₹ in crore)

Particulars	Year ended 31-3-2015 (Audited)	Year ended 31-3-2014 (Audited)
1. SEGMENT REVENUE :		
a. Treasury operations	556.84	421.65
b. Corporate/wholesale banking operations	579.20	448.59
c. Retail banking operations	1343.22	1308.53
d. Other banking operations	19.31	8.77
TOTAL	2498.57	2187.54
2. SEGMENT RESULTS (Operating Profit)*:		
a. Treasury operations	84.29	35.45
b. Corporate/wholesale Banking operations	82.90	78.08
c. Retail banking operations	192.24	188.58
d. Other banking operations	17.01	6.89
TOTAL	376.44	309.00
OPERATING PROFIT	376.44	309.00
PROVISIONS OTHER THAN TAX	188.23	268.59
PROFIT BEFORE TAX	188.21	40.41
Less : Tax expenses	55.92	-19.25
NET PROFIT	132.29	59.66
3. SEGMENT ASSETS :		
a. Treasury operations	6388.29	5907.96
b. Corporate/wholesale banking operations	5281.88	3601.23
c. Retail banking operations	12249.20	10504.77
d. Unallocated Assets	786.08	639.10
TOTAL	24705.44	20653.06
4. SEGMENT LIABILITIES:		
a. Treasury operations	5866.11	5482.56
b. Corporate/wholesale banking operations	5068.64	3525.55
c. Retail banking operations	11754.67	10284.00
d. Unallocated liabilities	459.87	307.34
TOTAL	23149.29	19599.46
CAPITAL AND RESERVES	1556.14	1053.60
TOTAL	24705.44	20653.06

PART B - GEOGRAPHICAL SEGMENTS : Since the Bank is having domestic operations only, no reporting is made under international segment.

Previous period's figures have been regrouped, wherever necessary to conform to the current period's classification.

* Segment results have been drawn up considering provision for non-performing assets as unallocated this year. Last year it was allocated among corporate & retail advances.



4.5. Accounting Standard 18 - Related Party Disclosures:

Payment to and Provision for Employees includes remuneration paid to Key Managerial Persons of the Bank for the period from 01/04/2014 to 31/03/2015, as detailed below:

S. No.	Name	Designation
1	Mr. Rakesh Sharma	Managing Director & CEO
2	Mr. M. Palaniappan	Chief Financial Officer
3	Mr. N. Ramanathan	Company Secretary

(₹ in crore)

Items / Related Party	Parent (as per ownership or control)	Subsidiaries	Associates / Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Total
Borrowings	NIL	NIL	NIL	NIL	NIL	NIL
Deposits	NIL	NIL	NIL	NIL	NIL	NIL
Placement of Deposits	NIL	NIL	NIL	NIL	NIL	NIL
Advances	NIL	NIL	NIL	NIL	NIL	NIL
Investments	NIL	NIL	NIL	NIL	NIL	NIL
Non-Funded Commitments	NIL	NIL	NIL	NIL	NIL	NIL
Leasing/HP arrangements provided	NIL	NIL	NIL	NIL	NIL	NIL
Leasing/HP arrangements availed	NIL	NIL	NIL	NIL	NIL	NIL
Purchase of Fixed Assets	NIL	NIL	NIL	NIL	NIL	NIL
Sale of Fixed Assets	NIL	NIL	NIL	NIL	NIL	NIL
Interest Paid	NIL	NIL	NIL	NIL	NIL	NIL
Interest Received	NIL	NIL	NIL	NIL	NIL	NIL
Rendering of Services	NIL	NIL	NIL	NIL	NIL	NIL
Receiving of Services	NIL	NIL	NIL	1.59	NIL	1.59
Management Contracts	NIL	NIL	NIL	NIL	NIL	NIL

4.6. Accounting Standard 20 - Earnings per Share (EPS):

EPS calculation in accordance with the AS-20 issued by the ICAI is as under:

Particulars	2014-15	2013-14
Net profit after Tax (₹ In Crore)	132.29	59.65
Weighted Average - No. of Equity shares	144,387,493	9,75,60,690
Weighted Average - No. of Diluted Equity shares	144,615,899	9,74,04,902
Earnings per share - Basic (₹)	9.16	6.11
Earnings per share - Diluted (₹)	9.15	6.12



4.7. Accounting Standard 22 - Accounting for Taxes on Income:

The bank has accounted for Income Tax in compliance with AS 22. Accordingly, Deferred Tax Assets & Liabilities are recognized. The major components of DTA / DTL are furnished as under:

(₹ in crore)

Particulars	Deferred Tax Assets		Deferred Tax Liabilities	
	2014-15	2013-14	2014-15	2013-14
Deferred Tax Components				
Provision for leave encashment	13.60	11.48	0.00	0.00
Depreciation on fixed assets	0.00	0.33	4.60	0.00
Provision for wage arrears	9.97	0.00	0.00	0.00
Provision for other assets	5.72	1.17	0.00	0.00
Provision for advances	58.94	41.26	0.00	0.00
Carried forward loss	0.00	27.08	0.00	0.00
Special Reserve u/s 36(i)(viii)	0.00	0.00	14.09	10.98
Others	5.67	0.00	0.00	9.23
CLOSING BALANCE	93.90	81.32	18.69	20.21
Net DTA	75.21	61.11		

4.8. Intangible Assets AS 26:

The Bank has followed AS 26 - Intangible asset issued by ICAI and the guidelines issued by the RBI in this regard.

4.9. Accounting Standard 28 - Impairment of Assets:

A substantial portion of the bank's assets comprises financial assets to which Accounting Standard 28 is not applicable. In the opinion of the bank management, there is no impairment of other assets to any material extent as at 31st March 2015 requiring recognition in terms of the said standard.

4.10 Details of movement in provisions in accordance with Accounting Standard 29:

(₹ in Crore)

Particulars	Opening as on 01.04.2014	Provision made during the year	Provision reversed / adjusted	Closing as on 31.03.2015
Prov. for Standard Assets	44.71	10.52	0.00	55.23
Prov. for Bad and Doubtful debts	53.23	138.35	75.23	116.35
Prov. for Income Tax (net of deferred tax)	158.93	70.02	22.10	206.85
Prov. for depreciation in market value of Investments	43.28	19.92	21.51	41.69
Prov. for Leave encashment (including Transitional Liability)	33.80	10.55	6.31	38.04
Prov. for Other assets	3.45	0.00	0.00	3.45
Prov. for Other Liabilities (NLD agents gratuity)	0.49	0.00	0.00	0.49
Counter cyclical buffer	29.43	0.00	14.72	14.71
Prov. for Interest Tax	0.10	0.00	0.00	0.10
Prov. for Fringe Benefit Tax	1.90	0.00	0.00	1.90
Prov. for Dividend (incl. Div. Tax)	11.41	43.01	11.41	43.01
Prov. for Restructured Advances & FITL	76.68	65.32	23.82	118.18
Provision for Foreign Currency Unhedged	0.00	1.30	0.00	1.30
Others:				
Prov. for Bonus.	0.26	0.24	0.21	0.29
Prov. for Pension (including Transitional Liability)	27.61	24.59	50.11	2.09
Prov. for Gratuity (including Transitional Liability)	7.99	6.15	9.49	4.65
Prov. for Wage arrears	14.72	18.79	4.19	29.32



5. Additional Disclosures:

5.1 Provisions and Contingencies: Break up of 'Provisions & Contingencies' shown under the head Expenditure in Profit & Loss Account:

(₹ in crore)

Particulars	2014-15	2013-14
Provision towards Standard Asset	10.52	5.87
Provision towards NPA	109.72	178.32
Provision for MAT Credit	0.00	(22.93)
Provisions for depreciation in market value of Investments	(1.47)	27.46
Provision for leave encashment	8.03	9.41
Provision for Gratuity (Amortised)	3.06	3.06
Provision for Pension (Amortised)	15.56	15.56
Provision for superannuation fund	0.00	15.00
Provision for Restructured Advances (Economic sacrifice) & FITL	41.51	36.83
Provision for Foreign Currency Unhedged	1.30	0.00
Sub Total	188.23	268.59
Provision for Income Tax	55.92	(19.25)
Total	244.15	249.34

Ad-hoc Provision for wage revision pending settlement:

9th Bi-partite settlement ended with October 2012 and next wage revision has fallen due from Nov 2012. As on 31.03.2015, provision for the proposed wage revision with 15% load, is estimated at ₹ 46.84 crore and the same has been either paid / provided. Of the ₹ 46.84 crore, Bank has paid ₹ 17.52 crore as adhoc payment during July '13 - Mar '15 and provision for the balance amount of ₹ 29.32 crore is held as on 31.03.2015.

5.2 Movement of Counter Cyclical Provisioning Buffer:

(₹ in crore)

Particulars	2014-15	2013-14
(a) Opening balance in the account	29.43	43.92
(b) Provisions made in the accounting year	0.00	0.00
(c) Amount of drawdown made during the accounting year	14.72	14.49
(d) Closing balance in the account	14.71	29.43

Utilization of Floating provision / Counter Cyclical Provisioning Buffer:

As a counter cyclical measure, RBI vide circular RBI / 2014-15 / 522 / DBR. No. BP.BC.79 / 21.04.048 / 2014-15 dated 30.03.2015 has permitted the banks to utilize up to 50% of countercyclical provisioning buffer/floating provisions held by them as at the end of December 31, 2014 for making specific provisions for non-performing assets, as per the policy approved by their Board of Directors. Taking into account the present economic downturn, out of the total provision of ₹ 29.43 crore held by the bank as at 31.12.2014, a sum of ₹ 14.72 crore being 50% of the provision held was utilized in the quarter ended March 2015 for making specific provision for non-performing assets.

5.3 Draw Down from Reserves:

The bank has not utilized/drawn any amount from any of the reserves during the year under review.

5.4. Disclosure of complaints (As complied by Management):

A. Customer Complaints:

(a) No. of complaints pending at the beginning of the year	11
(b) No. of complaints received during the year	152
(c) No. of complaints redressed during the year	163
(d) No. of complaints pending at the end of the year	0

(ATM complaints are also included in the above data)



B. Awards passed by the Banking Ombudsman:

(a) No. of unimplemented Awards at the beginning of the year	0
(b) No. of Awards Passed by the Banking Ombudsmen during the year	0
(c) No. of Awards implemented during the year	0
(d) No. of unimplemented Awards at the end of the year	0

5.5 Disclosure of Letters of Comfort (LOCs) issued by Banks:

(₹ in crore)

Particulars	Amount
Letter of comfort issued in earlier years and outstanding as on 01-04-2014	31.43
Add: Letters of Comfort issued during FY 2014-15	6.38
Less: Letters of Comfort expired during the FY 2014-15	28.93
Letter of Comforts Outstanding as on 31-03-2015	8.88

5.6 Provisioning Coverage ratio:

The provision coverage ratio of the Bank as on 31.03.2015 is 60.84%.

5.7 Bancassurance Business:**Fees, remuneration received from Bancassurance business:**

For the year ended 31.03.2015, the bank received income of ₹ 2.68 Crore (Gross commission) from Bancassurance business, of which ₹ 1.20 Crore from life insurance segment and ₹ 1.48 Crore from general insurance segment.

5.8. Concentration of Deposits, Advances, Exposures and NPAs:**5.8.1 Concentration of Deposits:**

(₹ in crore)

Total Deposits of twenty largest depositors	3679.20
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	16.75%

5.8.2 Concentration of Advances:

(₹ in crore)

Total Advances to twenty largest borrowers	2471.28
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	14.96%

5.8.3 Concentration of Exposures:

(₹ in crore)

Total Exposure to twenty largest borrowers/customers	2546.68
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers /customers	13.21%

5.8.4 Concentration of NPAs (As compiled by Management):

(₹ in crore)

Total Exposure to top four NPA accounts	197.43
---	--------



5.9 Sector-wise Advances (As compiled by Management):

(₹ in crore)

Sl. No.	Sector	2014-2015			2013-2014		
		O/s. Total Advances	Gross NPA	% of Gross NPAs to Total Advances in that Sector	O/s. Total Advances	Gross NPA	% of Gross NPAs to Total Advances in that Sector
(A)	Priority Sector						
1.	Agriculture and allied activities	2417.14	12.39	0.51%	2415.96	12.86	0.53%
2.	Industries	1484.13	40.22	2.71%	1196.63	62.04	5.18%
3.	Services	1633.03	28.75	1.76%	1294.16	24.89	1.92%
4.	Personal Loans	275.56	11.31	4.10%	263.73	16.87	6.40%
	Sub Total (A)	5809.86	92.67	1.59%	5170.48	116.66	2.26%
(B)	Non Priority Sector						
1.	Agriculture and allied activities	0.00	0.00	0.00%	0.00	0.00	0.00%
2.	Industries	3581.16	257.65	7.13%	2722.49	280.60	10.31%
3.	Services	3977.16	93.87	2.36%	2704.36	106.11	3.92%
4.	Personal Loans	1667.61	6.21	0.37%	1092.79	8.28	0.76%
5.	Others	1477.05	4.22	0.29%	1352.25	34.81	2.57%
	Sub Total (B)	10702.98	361.95	3.37%	7871.89	429.80	5.46%
	Total (A+B)	16512.84	454.62	2.75%	13042.37	546.46	4.19%

5.10 Movement of NPAs (As compiled by Management):

(₹ in crore)

Particulars	2014-15	2013-14
Gross NPAs as on 1st April (Opening Balance)	546.46	459.91
Additions (Fresh NPAs) during the year	256.30	668.69
Sub-total (A)	802.76	1128.60
Less:-		
(i) Up gradations	114.48	188.01
(ii) Recoveries (excluding recoveries made from upgraded accounts)	179.18	162.67
(iii) Technical / Prudential write offs	14.92	229.76
(iv) Write-offs other than those under (iii) above	39.56	1.70
Sub-total (B)	348.14	582.14
Gross NPAs as on 31st March (closing balance) (A-B)	454.62	546.46

Details of Technical write -offs and recoveries made:

(₹ in crore)

Particulars	2014-15	2013-14
Opening balance of Technical / Prudential written off accounts as at 1st April	385.85	163.64
Add: Technical / Prudential write offs during the year	14.92	229.76
Sub Total (A)	400.77	393.40
Less: Recoveries made from previously technical / prudential written - off accounts during the year (B)	82.93	7.55
Closing balance as on 31st March (A-B)	317.84	385.85

5.11 Overseas Assets, NPAs and Revenue:

Particulars	(₹ in crore)
Total Assets	NIL
Total NPAs	NIL
Total Revenue	NIL



5.12 Off-balance Sheet SPVs sponsored :

Name of the SPV sponsored

Domestic	Overseas
NA	NA

5.13 Prudential Regulatory treatment prescribed by RBI in respect of pension and gratuity:

In accordance with the Reserve Bank of India Circular under Ref No. DBOD.BP.BC.80 / 21.04.018 / 2010-11 dated 09-02-2011, the liability on account of employee benefits of ₹ 93.11 crore (towards pension ₹ 77.79 crore and towards Gratuity ₹ 15.32 crore) is amortized over a period of 5 years from FY 2010-11. The bank has charged to Profit & Loss Account a sum of ₹ 18.62 crore representing 1/5th of the said aggregate amount of ₹ 93.11 crore and the balance amount to be amortized as of 31st March 2015 is NIL.

5.14 Disclosure on Remuneration:

a. Qualitative disclosures:

(a)	Information relating to the composition and mandate of the Remuneration Committee.	The members of the said committee as on 31 st March 2015 are 5.
(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	Compensation Policy drawn up on the guidelines of the Reserve Bank of India was approved by Board on 03.03.2012. Performance is evaluated based on Key Performance indicators as approved by the Bank.
(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	
(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with level of remuneration.	
(e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting	
(f)	Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.	
		5,00,000 Equity shares have been granted to Mr. Rakesh Sharma (MD & CEO) under ESOS.

b. Quantitative disclosures:

	Particulars	2014-15	2013-14
(g)	Number of meeting held by the remuneration committee during the financial year and remuneration paid its members	1 Meeting of the Compensation & Remuneration Committee of the Board (CRCB) having 5 members was held. Remuneration paid to committee members is ₹ 0.60 lacs; 2 Meetings of the Nomination and Remuneration Committee of the Board (NRCB) having 5 members was held and the Remuneration paid to the committee members is ₹ 1.80 lacs	6 meetings of the Compensation & Remuneration Committee of the Board (CRCB) having 5 members was held. Remuneration paid to committee members is ₹ 1.35 lacs;

**b. Quantitative disclosures:** (Contd.)

	Particulars	2014-15	2013-14
(h)	(i) Number of employees having received a variable remuneration award during the financial year.	NIL	NIL
	(ii) Number and total amount sign-on awards made during the financial year.	NIL	NIL
	(iii) a) Details of guaranteed bonus, if any, paid as joining / Sign on bonus.	NIL	NIL
	b) Details of performance Bonus / Allowance	₹ 42,00,000/- (3 persons)	₹ 37,00,000/- (2 persons)
	(iv) Details of severance pay, in addition to accrued benefits, if any.	Notice period pay ₹ 5,65,626/- (3 persons)	NIL
(i)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and shares - linked instruments and other forms.	NIL	NIL
	(ii) Total amount of deferred remuneration paid out in the financial year.	NIL	NIL
(j)	Breakdown of amount remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	No Risk Takers were paid Variable Pay	No Risk Takers were paid Variable Pay
(k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments.	NIL	NIL
	(ii) Total amount of reductions during the financial year due to ex-post explicit adjustments.	NIL	NIL
	(iii) Total amount of reductions during the financial year due to ex-post implicit adjustments.	NIL	NIL

5.15 Disclosures relating to securitization: NA**5.16 Credit Default Swaps: NIL****5.17 Intra – Group Exposure:**

(₹ In crore)

Particulars	FY2014-15
(a) Total amount of intra-group exposures	NIL
(b) Total amount of top-20 intra-group exposures	
(c) Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	
(d) Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	

5.18 Transfer to Depositors Education and Awareness Fund (DEAF):

(₹ In crore)

Particulars	FY2014-15	FY2013-14
Opening balance of amounts transferred to DEAF	NIL	NIL
Add: Amounts Transferred to DEAF during the year	10.10	NIL
Less: Amounts reimbursed by DEAF towards claims	NIL	NIL
Closing balance of amounts transferred to DEAF	10.10	NIL

5.19 Unhedged Foreign Currency Exposure:

Based on the available data, available financial statements and the declaration received from borrowers, the bank has estimated and provided ₹ 1.30 crore towards the liability for Unhedged Foreign Currency Exposure (UFCE) of their constituents in terms of RBI Circular No. DBOD.NO.BP.BC.85 / 21.06.200 / 2013-14 dated 15th January 2014.



6.1 Liquidity Coverage Ratio:

(₹ In Crores)

		2014-2015		2013-2014	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets					
1.	Total High Quality Liquid Assets (HQLA)	-	834.06	NA	NA
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which	719.32	59.99	NA	NA
(i)	Stable Deposits	238.73	11.94	NA	NA
(ii)	Less stable Deposits	480.59	48.05	NA	NA
3	Unsecured wholesale funding, of which:	704.71	78.48	NA	NA
(i)	Operational deposits (all counterparties)	56.57	14.14	NA	NA
(ii)	Non-operational deposits (all counterparties)	648.14	64.34	NA	NA
(iii)	Unsecured debt	0.00	0.00	NA	NA
4	Secured Wholesale funding	278.72	0.00	NA	NA
5.	Additional requirements, of which	2894.97	363.25	NA	NA
(i)	Outflows related to derivative exposures and other collateral requirements	10.26	10.26	NA	NA
(ii)	Outflows related to loss of funding on debt products	0.00	0.00	NA	NA
(iii)	Credit and Liquidity facilities	1027.03	195.27	NA	NA
6	Other contractual funding obligations	68.25	68.25	NA	NA
7	Other contingent funding obligations	1789.43	89.47	NA	NA
8	Total Cash Outflows	4597.72	501.72	NA	NA
Cash Inflows					
9	Secured lending (e.g. reverse repos)	46.80	0.00	NA	NA
10	Inflows from fully performing exposures	1722.75	1188.24	NA	NA
11	Other cash inflows	87.09	87.09	NA	NA
12	Total Cash Inflows	1856.64	1275.33	NA	NA
			Total Adjusted Value		Total Adjusted Value
13	TOTAL HQLA	-	834.06	NA	NA
14	Total Net Cash Outflows	-	125.44	NA	NA
15	Liquidity Coverage Ratio (%)	-	668	NA	NA


6.2 Qualitative disclosure around LCR:

Based on RBI guidelines issued during June, 2014 and also other circulars subsequently thereon, the Bank has been computing the Liquidity Coverage Ratio with effect from 01st January, 2015. As per these guidelines, the Bank has high quality liquid assets (HQLA) into Level 1 and Level 2A/2B. As on 31.03.2015, the Bank has ₹ 983.03 Crore of HQLAs, of which, the main contribution is from Level – 1 type of assets with ₹ 924.01 Crore. The Level – 1 asset are in the form of surplus SLR investments / Excess CRR and Cash in Hand.

As on 31.03.2015, after applying the respective haircuts as mentioned by RBI guidelines on LCR, the Bank has total amount of ₹ 479.95 Crore of cash outflows and ₹ 929.20 Crores of cash inflows over the next 30 days period. Of this total amount of ₹ 479.95 Crores of cash outflows, the major component is in the form of unsecured wholesale funding and of the total ₹ 929.20 Crore of cash inflows, the major cash inflows are in the form of amounts to be received from Non – Financial wholesale counterparties.

6.3 The disputed Income Tax demand outstanding as on 31.03.2015 amounts to ₹ 52.61 Crore (previous year ₹ 109.91 Crore) and is included under Item I of Schedule 12 (Contingent Liabilities). No provision is considered necessary in respect of the disputed liabilities in view of favourable decisions by various appellate authorities on similar issues.

7. Previous year's figures have been regrouped / reclassified wherever considered necessary to conform to the current year's classification.

For **M/s. R.K. KUMAR & CO**
Chartered Accountants
FRN - 001595S

G. NAGANATHAN
Partner
M. No. 022456

Bangalore
29th April, 2015

K.R. PRADEEP
Chairman of the Meeting

RAKESH SHARMA
Managing Director & CEO

M. PALANIAPPAN
Chief Financial Officer

N. RAMANATHAN
Company Secretary

D.L.N. RAO
S.G. PRABHAKHARAN
S. DATTATHREYAN
N. MALAYALARAMAMIRTHAM
PANKAJ VAISH
E.V. SUMITHASRI
VIVEK DEEP
R. RAVIKUMAR
Directors



DISCLOSURE UNDER PILLAR III OF BASEL III NORMS AS ON 31.03.2015

I. SCOPE OF APPLICATION AND CAPITAL ADEQUACY

Table DF - 1

Scope of application

Lakshmi Vilas Bank is a private sector bank incorporated in 1926 at Karur. Since the bank doesn't have any subsidiaries under its Management. Hence the CRAR is computed in standalone basis.

(i) Qualitative Disclosures:

List of group entities considered for consolidation.

List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation.

No group affiliation

(ii) Quantitative Disclosures:

List of group entities considered for consolidation.

Not applicable

The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:

Not applicable

The aggregate amounts (e.g. current book value) of the bank's total interests in insurance entities, which are risk-weighted:

Not applicable

Any restrictions or impediments on transfer of funds or regulatory capital within the banking group:

Not applicable

Table DF - 2

Capital Adequacy

Qualitative Disclosures:

A summary discussion of the bank's approach for assessing the adequacy of its capital to support current and future activities.

The Bank is exposed to Credit risk, Market risk, Operational risk and other Pillar II risks. Based on the scale of business operations approaches have been put in place to compute the required capital of the bank and controls that are commensurate the risk profile of the bank. The capital requirement for the estimated future business levels are assessed in periodic intervals. The bank has adopted the following approaches for computing the capital charge.

Credit Risk – Standardized Approach

Market Risk – Standardized Duration Approach

Operational Risk – Basic Indicator Approach

- The Business projections, Capital requirement, Assessment methodology, controlling mechanism, etc., have been discussed in ICAAP document and it has been reviewed on yearly basis.
- CRAR has been computed based on the Basel III guidelines and it is well above the regulatory minimum level of 9% (other than capital conservation buffer and Countercyclical Capital buffer etc.).

Quantitative Disclosures:

(₹ in lacs)

Particulars	No of Equity Shares	Face Value Per share	Amount
Authorized Capital	3000.00	10.00	30000.00
Issued Capital	1806.75	10.00	18067.50
Subscribed Capital	1791.67	10.00	17916.70
Called up/paid up Capital	1791.67	10.00	17916.70

The Bank's shares are listed on the National Stock Exchange Limited and Bombay Stock Exchange Limited.

As on 31.03.2015, the bank does not have capital in the form of Additional Tier-I.

Tier 1 capital includes Equity share capital, Reserves comprising of Statutory reserves, Capital and Other Revenue reserves, Share premium and Balance in Profit and Loss account and less intangible assets.



Tier 2 Capital consists of the general provision on Standard assets, Loan loss reserve, Provision on NPA assets sold, Revaluation reserve, Investment fluctuation reserve and Subordinated Bonds (discounted value).

Break up of capital funds:

(₹ In lacs)

A. Tier I Capital Elements	
1. Paid up capital	17916.66
2. Reserves and surplus	129054.20
3. Gross Tier I Capital	146970.86
4. Less (Intangible Assets)	18055.16
5. Net Tier I Capital	128915.70
B. Tier II Capital Elements	
1. General Provisions and Loan loss Reserve	5538.79
2. Subordinated Debt (Lower Tier II bonds)	17520.00
3. Provision for restructured advances	3974.13
4. Revaluation Reserve	3530.54
5. Investment Fluctuation Reserve	72.74
6. Gross Tier II capital	30636.20
7. Less (Cross holdings)	2799.00
8. Net Tier II Capital	27837.20

Break up of Capital Requirements:

(₹ In lacs)

Risk Type	
b) Capital requirements for Credit Risk	106622.77
Portfolios subject to standardized approach	
Cash & Bank	422.43
Investments (Under HTM - RIDF)	94.80
Loans and Advances	95376.57
Fixed Assets	1953.19
Other Assets	3337.53
Off Balance sheet Exposure	5438.25
c) Capital requirements for Market Risk	8968.85
Standardized Duration approach	
Interest Rate Risk	7551.69
Foreign Exchange Risk (including gold)	139.08
Equity Risk	1278.08
d) Capital requirements for Operational Risk	8796.95
Basic Indicator approach	8796.95
Total Risk weighted Assets (b+c+d)*100/9	1382095.20
Total Capital funds	156752.90
CRAR (Basel III)	11.34%

e) Common Equity Tier 1, Tier I and Total Capital ratios:

For the top consolidated group; and for significant bank subsidiaries (stand alone or sub-consolidated depending on how the framework is applied).

Not applicable



II. Risk Exposure and Assessment

General Qualitative Disclosure requirement:

Credit Risk:

The objectives of Credit risk management practices in the bank are the following:

- ☞ To ensure business continuity with growth and stability.
- ☞ To ensure that the bank holds adequate capital in alignment with risks undertaken as well as the regulatory requirements from time to time.
- ☞ To optimize risk-return profile by providing a framework for risk-based pricing.
- ☞ To provide decision support for entry / exit strategies.
- ☞ To provide a framework for monitoring risk profile of the bank through structured reports.
- ☞ To facilitate the identification of risks in various activities undertaken by the bank through its operating units.
- ☞ To provide guidance on measurement of risks and their quantification for assessing the level of risk under portfolio management.
- ☞ To provide guidance on risk mitigation for ensuring customer retention while promoting risk-reward consciousness at all levels of operation.
- ☞ To set / monitor prudential risk limits in tune with the business strategy, capital adequacy and regulatory prescriptions.
- ☞ To ensure the adherence to these risk limits through defining the reporting structures and systems.
- ☞ To ensure compliance with other regulatory prescriptions.
- ☞ The bank proposes to keep its overall risk profile as moderate and stable for the medium term.

Risk appetite and risk-return profile, credit risk strategy shall also include a statement of the banks willingness to grant credit based on:

- exposure type (for example, commercial, consumer, real estate, etc.),
- economic sector (e.g. textile, iron etc.),
- geographical location,
- currency,
- maturity,
- anticipated profitability,
- identification of target markets / business sectors (like priority sector lending),
- the overall credit portfolio composition, and
- preferred levels of diversification & concentration tolerances.

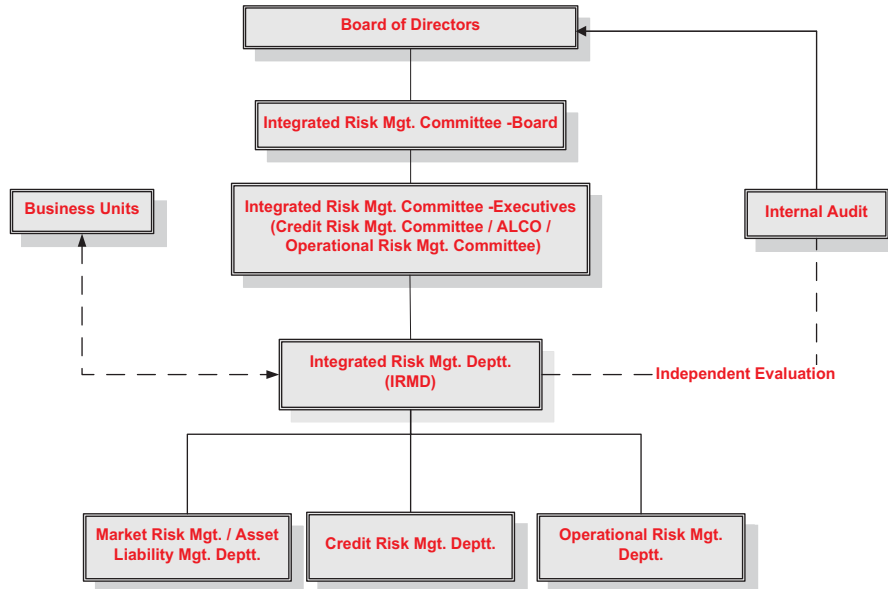
Credit risk strategy of the bank shall provide continuity in approach considering cyclical approach of the economy and the resulting shifts in the composition and quality of the overall credit portfolio.

Strategy is being reviewed yearly in CRM policy.



Organization Structure:

Organization Structure IRMD-Credit Risk Management



Comprehensive Risk Management Policy is put in place and the same has been approved by the Board. The hierarchy of the IRMD starts from Board of Directors. Board is responsible for approving & reviewing on a periodical basis credit risk related policies, strategy & limits. Further Board has sub level committee (IRMCB) to review the risk limits, monitor the functioning of the IRMC-E and issue necessary directions if require.

The Scope and nature of risk reporting and / or measurement systems

Risk-rating model is an important tool and is an integral part of the Credit Risk Management. The benefits of a robust system based rating model.

- ⇒ Serves as a **single point indicator of diverse risks** of a borrower.
- ⇒ Enables banks to take **informed credit decisions** in a consistent manner.
- ⇒ Facilitates adoption of **risk-based pricing**.
- ⇒ Arriving at **Facility Risk rating** for the particular facility / product based on the comforts of securities / guarantors.

Internal credit rating models / systems are an important tool in monitoring the quality of individual credits, as well as the total portfolio. A well-structured internal risk rating system is a good means of differentiating the degree of credit risk in the different credit exposures of the bank. This will allow more accurate determination of the overall characteristics of the credit portfolio, concentrations, problem credits, and the adequacy of loan loss reserves.

Internal credit rating framework enables the Bank to standardize and uniformly communicate the "judgement" in credit selection procedures but is not a substitute to the vast lending experience accumulated by the bank's professional staff.

In order to make the credit risk assessment more consistent and effective, a two dimensional approaches to measure risk comprising borrower risk (Obligor Rating) and transaction risk (Facility Rating) has been implemented.

Use of Risk Rating Models / Systems

- Individual credit selection, wherein a borrower or a particular exposure/ facility is rated.
- Pricing of the facility / loan.
- Deciding the limits & tenure of the proposed credit assistance.
- Portfolio-level analysis and portfolio management.
- Frequency and intensity of monitoring of the exposures.
- Internal MIS.
- General provision "reasonable over provisioning" in addition to statutory prescribed provision.
- Assessing the aggregate risk profile of bank.



The Bank has a multi-tier structure for sanction of credit proposals, with proper delegation of lending powers at various levels of officers & executives, duly approved by Board.

The powers vested at each level depend on the quantum and type of the loan facility and the overall exposure to the borrower/group.

The Bank has a system under which the lending powers exercised by delegated authority are reported to and reviewed by a higher authority under the Internal Loan Review Mechanism.

A two dimensional approach to measure risk comprising borrower risk (Obligor Rating) and transaction risk (Facility Rating) has been implemented. The Credit Risk Assessment System (CRAS) operated through the risk rating models shall form the fulcrum of credit risk management.

Policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants

As per the RBI guidelines, eligible financial collaterals have been taken into account for risk mitigation purpose.

Bank is having a system in place to monitor compliance with country exposure limits. Exceptions are reported, approved and rectified as per laid down procedures.

Bank is having an effective system in place to generate management reports which are detailed enough for the senior management review and to identify exceptions in a timely manner.

Market Risk:

Strategies and processes

The Bank has policies like Asset Liability Management Policy, Investment & Forex Risk Management Policy to address the liquidity risk and market risk respectively arising out of its banking book and trading book of investment portfolio.

Mid office is functioning independent of treasury and it monitors limits, trigger of investments, Cut (stop) loss limit, Open position limit etc., Further it assess various limits set out by RBI and as stipulated in Investment/ trading book Policy, and keeps track on rating migration of rated securities on a daily basis. It fixes the overall counter-party exposure limits (Banks & FIs).

The structure and organization of the relevant risk management function

The Asset Liability Committee (ALCO) is responsible for

- ☞ Managing Interest Rate Risk and Liquidity Risk of the Banking Books.
- ☞ Pricing of Assets and Liabilities.
- ☞ Monitor and control the quality of the Balance Sheet.
- ☞ Review and control of limits, procedures, reports, ratios & market trends, which impact bank's Balance Sheet.
- ☞ Review the treasury operations including trading.
- ☞ Differential pricing of wholesale deposits be delegated to Planning & Development.

The scope and nature of risk reporting and / or measurement systems

The ALM Policy will be operated through the Integrated Risk Management Department (IRMD) which is responsible for evolving appropriate systems & procedures for ongoing identification & analysis of Balance Sheet risks and laying down parameters for management of these risks. IRMD will, therefore, have the responsibilities of periodic monitoring and control of the risks and the same has been reported to IRMC-E & IRMC-B.

Policies for hedging and/or mitigating and strategies and processes for monitoring the continuing effectiveness of hedges/ mitigants.

Board approved Investment and Forex policy are put in place. Policies for hedging/ mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants are discussed in ALCO.

The Structural liquidity statement is prepared on a daily basis to analyze the liquidity profile of the bank in a static manner. Exchange risk is managed by fixing limits on position limits - Day light and Overnight limits, Single Deal limit, Stop Loss limit and Overall Overnight Open Exchange position limit. Additional liquidity ratios reviewed on a quarterly basis against the limits set under stock approach.

Interest rate risk is analyzed from earnings perspective using Traditional Gap analysis and Economic value perspective using Duration Gap analysis on a Quarterly basis. Further stress testing process conducted under scenario as well as stock approach to estimate the impact on various conditions.



Operational Risk

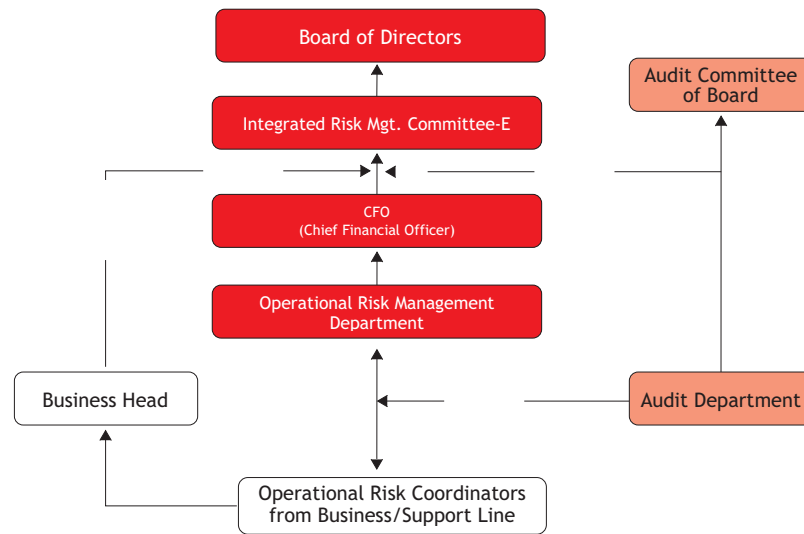
Strategies and processes

The strategy for the overall management of operational risk is in alignment with the business objectives & risk appetite of the bank considering the size, nature and complexities of the bank activities.

The strategy towards operational risk management shall focus on:

The Structure and organization of the relevant risk management function

Operational Risk Management is organized within the IRMD and will report to the head of the risk. The hierarchy of ORM within the organizational chart for governance purposes is presented below. These roles and responsibilities relate only to the activities relating to operational risk management.



A well defined Operational risk Management policy is put in place. The role of Board vests in setting business strategy, risk appetite, policies, governance, management framework, methodology of measurement and assessment, internal audit, report to stakeholders on risk management, etc.

The Scope and nature of risk reporting and/or measurement systems

The scope of risk reporting is to establish an explicit operational risk management process that results in the identification, evaluation, assessment, measurement, analysis, monitoring, control, mitigation and reporting of operational risks. This process also includes independent evaluation of operational risk management function by the Internal Audit Department and to report its findings to the Board / Senior Management as an assurance for the effective discharge of responsibilities with respect to management of operational risk.

Policies and procedures are put in place for control / mitigate material operational risks to adjust the risk appetite / tolerance level based on its risk control and mitigation strategies. For those risks that cannot be controlled, the bank decides whether to accept these risks, reduce the level of business activity involved, or withdraw from this activity completely. Some major control/mitigation techniques like Sound Internal Control System, Insurance, Standards for Insurance Recognition, Retention/Self Insurance, Business Continuity and Disaster Recovery Plan, Outsourcing of financial services, Information Technology security, Internal Audit, External Audit, Reporting are deployed in the framework.

Interest Rate Risk in Banking Book

Strategies and Processes

Interest Rate Risk is measured in two different ways. Earnings perspective using Traditional Gap Analysis is to assess the impact of adverse movement in interest rate on the Net Interest Income (Earnings at Risk) and economic value perspective using Duration Gap Analysis to assess the impact of adverse movement in interest rate on the market value of Bank's equity.

Structure and Organization of Risk Management Function

ALM policy will manage and monitor the limits / guidance values / target set on interest rate risk of the Banking Book. IRMC-B and ALCO at the executive level are responsible for efficient and effective management of Interest rate risk in Bank's business.



Scope and nature of risk reporting / measurement systems

The Duration/ Modified duration mainly depends on coupon, maturity and periodicity of payment of installments. Since the modified duration of the liabilities is less compared to the modified duration of assets, there would be fall in the equity value under major stress. Modified duration of Equity is calculated on a quarterly basis. The capital charge for Interest rate risk in banking book is assessed based on drop in the Market value of equity under 200 bps changes in interest rate. The results of Traditional Gap analysis and Duration Gap analysis including the adherence to tolerance limit set in this regard are monitored and the same has been placed before ALCO/IRMC-B level.

Policies for hedging / mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/ mitigants

Investment policy, Forex policy, ALM policy, Stress testing policy, Credit Risk Management policy are put in place to measure, mitigate / hedge the various risks.

Table DF - 3

Credit Risk

Credit Risk: General Disclosures

Qualitative Disclosures:

The general qualitative disclosure requirement with respect to credit risk, includes the definitions of Past Due, NPA of a loan or a advance and impaired assets (for Accounting Purposes), Out of order and Overdue. These definitions are as per the extant guidelines of Reserve Bank of India.

Credit Risk

Credit risk in simple terms is the potential that bank's borrower or counterparty will fail to meet its obligations in accordance with agreed terms.

Credit risk is defined as the possibility of losses associated with default in repayment or diminution in the credit quality of borrowers or counterparties or diminution in the value of primary and/or collateral assets. In a bank's portfolio, losses stem from outright default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions.

Discussion of the Bank's Credit Risk Management Policy

The Board level approved Credit Risk Management Policy is put in place. The goal of the policy is to ensure that it is within the acceptable risk appetite and tolerance limit set by the bank. It manages the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions and it encompasses identification, measurement, monitoring and control of the credit risk exposures. Further it deals the structure, governance, framework, processes for effective and efficient management of the Credit risk.

Quantitative Disclosures:

Credit Risk Exposures	(₹ in lacs)
Fund Based *	2283222.95
Non Fund Based	176991.12
Total Fund & Non Fund Based	2460214.07

* It includes loans/advances, fixed assets, other assets, cash, bank balances, balance with RBI and investments.



Geographic wise Distribution of Exposures:

(₹ in lacs)

STATE NAME	FUNDED	NON-FUNDED	TOTAL Ex
ANDHRA PRADESH	106702.57	15580.33	122282.90
CHATTISGARH	1019.48	40.33	1059.81
GUJARAT	27657.39	1027.31	28684.70
HARYANA	1287.22	1400.53	2687.75
JHARKHAND	660.98	23.00	683.98
KARNATAKA	207142.27	3446.35	210588.62
KERALA	19404.11	71.03	19475.14
MADHYA PRADESH	2987.32	124.13	3111.45
MAHARASHTRA	287289.64	42645.33	329934.97
NEW DELHI	63329.63	21820.32	85149.95
ODISHA	284.19	3.95	288.14
PUDUCHERRY	7939.27	546.51	8485.78
RAJASTHAN	2543.58	5.00	2548.58
TAMIL NADU	807692.32	58005.84	865698.16
TELANGANA	100488.32	31664.60	132152.92
UTTAR PRADESH	661.58	7.00	668.58
WEST BENGAL	14194.59	579.56	14774.15
Total	1651284.46	176991.12	1828275.58

Industry Wise distribution of Exposures:

(₹ in lacs)

S. No.	Industry Name	Funded	Non-funded	Total	% gross credit
1	Mining and Quarrying	21901.19	287.73	22188.92	1.21
2	Food Processing	58804.82	9453.56	68258.38	3.73
3	Beverages (excluding Tea & Coffee) and Tobacco	13171.73	91.51	13263.24	0.73
4	Textiles	91877.79	8905.39	100783.18	5.51
5	Leather and Leather products	495.69	4.00	499.69	0.03
6	Wood and Wood Products	9677.31	12631.03	22308.34	1.22
7	Paper and Paper Products	12188.88	199.04	12387.92	0.68
8	Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	518.20	0.00	518.20	0.03
9	Chemicals and Chemical Products (Dyes, Paints, etc.)	29539.96	19803.91	49343.87	2.70
10	Rubber, Plastic and their Products	6529.69	1053.76	7583.45	0.41
11	Glass & Glassware	2684.60	5.67	2690.27	0.15
12	Cement and Cement Products	15821.46	70.31	15891.77	0.87
13	Basic Metal and Metal Products	83802.32	19826.56	103628.87	5.67
14	All Engineering	20138.46	11320.95	31459.41	1.72
15	Vehicles, Vehicle Parts and Transport Equipments	5835.30	77.74	5913.04	0.32
16	Gems and Jewellery	10574.83	590.00	11164.83	0.61
17	Construction	173.17	0.00	173.17	0.01
18	Infrastructure	143758.09	24423.59	168181.68	9.20
	Residual Advance	30003.38	560.12	30563.50	63.52
	Other Industries	1093787.59	67686.25	1161473.84	1.67
	Total	1651284.46	176991.12	1828275.58	100.00

Note: The industries break-up given on the same lines as prescribed for DSB returns. Residual advances are educational loans, Aviation sector, Housing loans, Gold loans, Loan against deposits, Personnel loan, Staff loan, Consumer loans, Vehicle loans, etc. The Industries which has crossed 5% of gross credit exposure are:

- Infrastructure - 9.20%
- Basic Metal and Metal Products - 5.67%
- Textiles - 5.51%



Residual Contractual maturity breakdown of assets

(₹ in lacs)

	Cash	Balance With RBI	Balance With Other Banks	Investments	Repo - Assets	Call Money Placements	Advances	Fixed Assets	Other Assets
Overdue to 1 Day	23726.54	3761.89	3030.33	11596.75	0.00	0.00	18947.99	0.00	4428.14
2-7 Days	0.00	1633.33	0.00	15264.25	11440.00	10000.00	40776.31	0.00	361.17
8-14 Days	0.00	2997.91	0.00	16200.73	0.00	0.00	39975.95	0.00	420.65
15-28 Days	0.00	2001.91	0.00	17556.94	0.00	0.00	69478.95	0.00	840.22
29 Days to 3 Months	0.00	9296.36	0.00	60160.95	0.00	0.00	343532.75	0.00	3724.21
3-6 Months	0.00	10456.25	0.00	81551.49	0.00	0.00	93705.48	0.00	5406.80
6 Months-1 Year	0.00	17557.86	0.00	104535.97	0.00	0.00	185088.62	0.00	0.00
1-3 Years	0.00	24878.43	541.02	152166.40	0.00	0.00	644496.57	0.00	74695.07
3-5 Years	0.00	4997.45	0.00	61894.07	0.00	0.00	69934.33	0.00	47.55
Over 5 Years	0.00	13036.10	0.00	105501.22	0.00	0.00	129265.52	24341.30	3834.57
Total	23726.54	90617.49	3571.35	626428.77	11440.00	10000.00	1635202.47	24341.30	93758.38

Asset Quality

Amount of NPAs (Gross)

(₹ in lacs)

SUBSTANDARD	12878.81
DOUBTFUL 1	15088.49
DOUBTFUL 2	9600.39
DOUBTFUL 3	1442.91
LOSS	6451.34
TOTAL	45461.94

NET NPAS

₹ 30248.70 lacs

NPA RATIOS:

GROSS NPAS TO GROSS ADVANCES - 2.75%

NET NPAS TO NET ADVANCES - 1.85%

MOVEMENT OF NPAS (GROSS)

(₹ in lacs)

OPENING BALANCE	54646.45
ADDITIONS	25630.24
REDUCTIONS	34814.75
CLOSING BALANCE	45461.94

MOVEMENT OF PROVISIONS FOR NPAS

(₹ in lacs)

OPENING BALANCE	5323.10
PROVISIONS MADE DURING THE PERIOD	13835.21
WRITE-BACK/WRITE -OFF OF EXCESS PROVISIONS	7523.17
CLOSING BALANCE	11635.14

AMOUNT OF NON-PERFORMING INVESTMENTS

₹ 1077.66 lacs

AMOUNT OF PROVISIONS HELD FOR NON-PERFORMING INVESTMENTS

₹ 913.67 lacs



MOVEMENT OF PROVISIONS FOR DEPRECIATION ON INVESTMENTS

(₹ in. lacs)

OPENING BALANCE	710.55
PROVISIONS MADE DURING THE PERIOD	203.12
WRITE-OFF/ WRITE-BACK OF EXCESS PROVISIONS	0.00
CLOSING BALANCE	913.67

Table DF - 4

Credit Risk: Disclosures for portfolios subject to the Standardized Approach

a) For exposure amounts after risk mitigation subject to the standardized approach, amount of a bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted: (₹ in. lacs)

Particulars	Below 100% Risk Weight		100% Risk Weight		More than 100% Risk Weight		Grand Total	
	BV**	RWA**	BV	RWA	BV	RWA	BV	RWA
Fund Based								
Loans & Advances	992797.40	350480.47	506418.41	495335.57	152068.65	213923.60	1651284.46	1059739.64
Investments	394193.01	1053.32	0.00	0.00	0.00	0.00	394193.01	1053.32
Other Assets*	176318.54	4693.72	61426.94	58785.77	0.00	0.00	237745.48	63479.49
Loans & Advances Deducted (Taken for Mitigation purpose)	408383.97	0.00	13724.01	0.00	0.00	0.00	422107.98	0.00
Total Fund Based	1563308.95	356227.51	567845.35	554121.34	152068.65	213923.60	2283222.95	1124272.45
Non Fund Based inc. Contingent credit	27859.96	5218.27	108726.35	37742.15	40404.81	17464.51	176991.12	60424.93
Total Credit Risk Exposures	1591168.91	361445.78	676571.70	591863.49	192473.46	31388.11	2460214.07	1184697.38

* Other assets includes cash, balance with RBI, balance with other banks, fixed assets and others

** BV: Book Value; RWA: Risk Weighted Assets.

Table DF - 5

Credit Risk Mitigation: Disclosures for Standardized Approaches**Quantitative Disclosures**

a) The general qualitative disclosure requirement with respect to credit risk mitigation including

Policies and process for and an indication of the extent to which the bank makes use of, on and off balance sheet netting;

- Policies and processes for collateral valuation and management**

Bank has a policy and procedure for the management of collateral and guarantees.

Valuation should be based on the current market value of the collateral and should not be biased in order to enable the bank, to grant a higher credit limit to the borrower or improve its internal credit rating, make a smaller amount of provision or continue interest accrual for a problem credit.

Collateral should be revalued on a regular basis, though the frequency may vary with the type of collateral involved and the nature & the internal credit rating of the underlying credit e.g. frequency for shares and properties as collateral would be different.

Collaterals & guarantees are properly evaluated with respect to legal validity, enforceability in all relevant jurisdictions, etc., for the purpose of netting as credit risk mitigants as per the policy.

A more conservative approach should be adopted for valuing the collateral of problem credits because the forced-sale value, rather than the open market value, is likely to be closer to what eventually may be realized from an asset sale when the market conditions are un-favorable. Therefore, a discount to the estimated market value should be applied where appropriate.



- **Description of the main types of collateral taken by the bank**

Under Standardized approach, the following collateral instruments used as risk mitigants for the capital computation.

1. Cash and fixed deposits of the Borrower with the Bank.
2. Gold (The value of the gold arrived after notionally converting into 99.99% purity).
3. Securities issued by Central and State Governments.
4. Kisan Vikas Patra and National Savings Certificates (with no lock-in period).
5. Life insurance policies with a declared surrender value of an insurance company which is regulated by an insurance sector regulator.
6. Debt Securities issued by Public Sector Entities and other entities (including banks and other primary dealers) rated by chosen rating agency attracting 100% risk weight or lesser risk weight.(i.e. rated atleast BBB(-) or A3 for short-term debt instruments).
7. Debt Securities not rated by a chosen Credit Rating Agency in respect of which banks should be sufficiently confident about the market liquidity where these are
 - a) Issued by a bank,
 - b) Listed on a recognized stock exchange,
 - c) Classified as senior debt,
 - d) all the rated issues of the same senior by the issuing bank are rated atleast BBB (-) or A3 by a chosen Credit Rating Agency, and
 - e) The bank has no information to suggest that the issue justifies a rating below BBB (-) or A3 by a chosen Credit Rating Agency.
8. Units of Mutual Funds regulated by the securities regulator of the jurisdiction of the Bank's operation and mutual funds where
 - a. A price for the units is publicly quoted daily i.e. where the daily NAV is available in public domain.
 - b. Mutual fund is limited to investing in the permitted instruments listed.

- **Information about (market or credit) risk concentrations within the mitigation taken**

Majority of the exposures are retail exposures and insulated with adequate liquid collateral by way of cash margin, KVP, fixed deposits, National Savings Certificate, Life Insurance Policies etc for reducing the capital buffer after applying applicable haircuts in the respective securities.

Quantitative Disclosures

- a) For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts.

Credit Risk exposure covered by Eligible Financial Collaterals

(₹ in lacs)

Type of Exposure	Notional Exposure (After CCF)	Eligible Financial Collaterals	Net Exposure
On Balance Sheet	386329.14	426958.14	
Off Balance Sheet	80573.23	22279.90	58293.33
Total	466902.37	449238.04	58293.33

- b) For each separately disclosed portfolio the total exposure (after, where applicable, on or off-balance sheet netting) that is covered by guarantees/credit derivatives (whenever specifically permitted by RBI).

NIL



Table DF - 6

Securitization Exposure- Disclosure for Standardized Approach

Qualitative disclosures**General Disclosures on securitization exposures of the Bank****Objectives of Securitization activities of the Bank**

Presently bank having limited exposure towards securitization. Further explore the possibilities of expanding the scope of lending activities through securitization process and with the objective of managing the portfolio risk, credit risk, interest rate risk, liquidity risk and capital adequacy.

Securitization Process

Bank has a AAA rated securitization exposure in banking book. Before entering into the securitization transaction, the bank will collect the information, which is nature from the originator. Further the information is historical in nature and such information will be useful to understand the repayment schedule, cash flows, principle and other charges, credit risk on underlying assets, etc.,

Monitoring Mechanism

Monitoring of the pooled assets effectively carried out by the Regional Office Level. Further the existence of assets or unit inspection for the loans under the securitization pool is verified on random basis before disbursement.

Bank's Policy on Securitization

Bank will not enter into a securitization transaction with originator whose External rating not below than A category. Further bank consider the external rating of the Originator as well as Securitized portfolio which is carried out by a third party with a view to assess credit quality of the pool.

Quantitative Disclosure – Banking Book

Total Amount of exposures securitized by the Bank	₹ 3587.18 lacs
Losses recognized towards the exposure during the current period	–
Amount of Assets intended to be securitized within a year	–
Of which above, amount of assets originated within a year before securitization	–

The securitized exposures in banking book are vehicle loans. The underlying assets are vehicles and further capital charges are computed by applying risk weight of 75% on the exposure (due to regulatory retail).

Table DF - 7

Market risk in Trading Book

Qualitative disclosures

a) Approach for Computation of Capital charge for Market Risk

Standardized Duration Approach is used for calculating Capital charge for Market Risk. Components under Market risk are:

(i) Specific Risk – Capital Charge for market risk is computed based on risk weights prescribed by the regulator.

(ii) General Market Risk is calculated for

Securities under HFT category

Securities under AFS category

Open foreign exchange position limits

Trading Positions in Derivatives

(iii) Alternative Risk

The total Capital charge for market risk is equal to greater of Specific Capital charge plus General Market Risk Capital Charge or Alternative total capital charge.

Quantitative Disclosures

a) The capital requirements for:

Interest rate risk	₹ 7551.69 lacs
Equity position risk	₹ 1278.09 lacs
Foreign exchange risk	₹ 139.08 lacs



Table DF - 8

Operational Risk

The Bank has put in place important policies like Operational Risk Management, Information System Security, Know your Customer (KYC) and Anti Money Laundering (AML), Business Continuity and Disaster Recovery Management. The updated manuals on all important functional areas have been circulated to the branches. Risk Based Internal Audit is introduced in all branches in our Bank. The Operational Risk Management Policy outlines the Organisation structure and covers the process of identification, assessment / measurement and control of various operational risks. Internal control mechanism is in place to control and minimize the operational risks. Capital charge for operational risk is computed as per the Basic Indicator Approach. The average of the gross income, as defined in the New Capital Adequacy Framework guidelines, for the previous 3 years i.e 2013-14, 2012-13, 2011-12 is considered for computing the capital charge. The required capital is ₹ 8796.95 Lacs

Table DF - 9

Interest Rate Risk in the Banking Book (IRRBB)

Interest Rate Risk in Banking Book (IRRBB) refers to the risk of loss in earnings and economic value of the Bank's Banking Book as a consequence of movement in interest rates. The Bank has significant portion of its assets and liabilities portfolio not marked to market and is carried on the books of the Bank at historical values. Thus, the economic value of such assets and liabilities is generally not ascertained on a regular basis and can be a significant source of risk if the asset or liability is not held till maturity.

IRRBB Earnings Perspective

The immediate impact of changes in interest rates in the market is on bank's earnings by changing the Net Interest Income (NII). The interest rate risk when viewed from this perspective is known as 'Earnings Perspective'.

The asset liability profile up to 6 months is 'asset sensitive'. The positive mismatches in the near term time buckets (up to 6 months) will be beneficial to the bank if the interest rates increases in the economy.

Interest Rate Risk – Economic Value Perspective

The long-term impact of changes in interest rates in the economy will be on bank's Market Value of Equity (MVE) since the economic value of the bank's assets, liabilities and off-balance sheet positions get affected due to variations in market interest rates.

Duration Gap Analysis (DGA) for IRR management is a simple approach to measure the volatility of market value of equity (MVE) in response to the changes in interest rates in the economy.

Since the modified duration of the liabilities are less compared to the modified duration of assets, there would be a fall in the equity value under major stress. In order to bring down the percentage of fall in market value of equity and earnings at risk under major stress, we have been mobilizing term deposits with longer tenure i.e., 3-5 years and over 5 years. As longer the tenure of liabilities, higher will be the modified duration.

The level of IRRBB (Earnings Perspective & Economic Value Perspective) is being measured and monitored on a quarterly basis aiming at managing it within the limit over a period and minimizes the impact of interest rate movement on near term profitability.

Quantitative Disclosures

Limits have been fixed for changes in Earnings at Risk and Market Value of Equity for 200bps shock in the interest rates. The impact in EaR and MVE is assessed in the following six different scenarios.



Stress Scenarios - Change in Rate of Interest								
Stress Test Scenario	Assets / Liabilities	Bucket 1	Bucket 2	Bucket 3	Bucket 4	Bucket 5	Bucket 6	Bucket 7
		Upto 1 Month	29 days - 3 months	>3 to 6 months	>6 months to 1 year	>1 to 3 years	>3 to 5 years	> 5 years
Scenario 1	Assets	1%	1%	1%	1%	1%	1%	1%
	Liabilities	1%	1%	1%	1%	1%	1%	1%
Scenario 2	Assets	1%	1%	1%	1%	-1%	-1%	-1%
	Liabilities	1%	1%	1%	1%	-1%	-1%	-1%
Scenario 3	Assets	2%	2%	2%	-1%	-1%	-1%	-1%
	Liabilities	2%	2%	2%	-1%	-1%	-1%	-1%
Scenario 4	Assets	1%	1%	1%	1%	1%	1%	1%
	Liabilities	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Scenario 5	Assets	-0.25%	-0.25%	-0.25%	-0.25%	-0.25%	-0.25%	-0.25%
	Liabilities	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Scenario 6	Assets	2%	2%	2%	2%	2%	2%	2%
	Liabilities	2%	2%	2%	2%	2%	2%	2%

Impact on Stress test Scenarios:

(₹ In lacs)

Stress Test Scenario	Impact on Profit	Impact on Equity
Scenario 1	-221.62	5689.24
Scenario 2	-4415.46	-2553.03
Scenario 3	4961.95	-11957.78
Scenario 4	5432.64	-13970.77
Scenario 5	-11253.11	37897.71
Scenario 6	-443.23	11378.47

For a parallel shift of 200 bps, fall of NII is at ₹ 443.23 lacs and there would be increase of EVE by ₹ 11378.47 lacs.

Table DF - 10

General Disclosure for Exposures related to Counterparty Credit Risk

Counterparty exposures for other entities are assessed subject to exposure ceilings as per the policy of the bank. Capital for Counterparty Credit Risk exposure is assessed based on the Standardized approach.

Bank does not have bilateral netting. The Credit equivalent amount of the derivative exposure is assessed based on the Current Exposure method.

Credit Exposure as on 31.03.2015

(₹ In lacs)

	Notional Amount	Gross Positive fair value of contracts	Potential Future Exposure	Total Credit Exposure
Forward Contracts	91229.35	984.88	1824.59	2809.47



Table DF - 11
Composition of Capital

(₹ In lacs)

Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)		
Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	83295.69
2	Retained earnings	63091.66
3	Accumulated other comprehensive income (and other reserves)	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	
Public sector capital injections grandfathered until January 1, 2018		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	
6	Common Equity Tier 1 capital before regulatory adjustments	146387.35
Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	
8	Goodwill (net of related tax liability)	
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	9938.40
10	Deferred tax assets	7522.16
11	Cash-flow hedge reserve	
12	Shortfall of provisions to expected losses	
13	Securitisation gain on sale	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	
15	Defined-benefit pension fund net assets	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	
17	Reciprocal cross-holdings in common equity	11.09
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	
20	Mortgage servicing rights (amount above 10% threshold)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	
22	Amount exceeding the 15% threshold	
23	<i>of which:</i> significant investments in the common stock of financial entities	
24	<i>of which:</i> mortgage servicing rights	
25	<i>of which:</i> deferred tax assets arising from temporary differences	
26	National specific regulatory adjustments (26a+26b+26c+26d)	
26a	<i>of which:</i> Investments in the equity capital of the unconsolidated insurance subsidiaries	
26b	<i>of which:</i> Investments in the equity capital of unconsolidated non-financial subsidiaries	
26c	<i>of which:</i> Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	
26d	<i>of which:</i> Unamortized pension funds expenditures	
Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment		



	<i>of which:</i> [INSERT TYPE OF ADJUSTMENT]	
	For example: filtering out of unrealized losses on AFS debt securities (not relevant in Indian context)	
	<i>of which:</i> [INSERT TYPE OF ADJUSTMENT]	
	<i>of which:</i> [INSERT TYPE OF ADJUSTMENT]	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	
28	Total regulatory adjustments to Common equity Tier 1	17471.65
29	Common Equity Tier 1 capital (CET1)	128915.70
	Additional Tier 1 Capital : Instruments	0.00
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	
31	<i>of which:</i> classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	
32	<i>of which:</i> classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	
35	<i>of which:</i> instruments issued by subsidiaries subject to phase out	
36	Additional Tier 1 capital before regulatory adjustments	
	Additional Tier 1 Capital: regulatory adjustments	
37	Investments in own Additional Tier 1 instruments	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
41	National specific regulatory adjustments (41a+41b)	
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	
	<i>of which:</i> [INSERT TYPE OF ADJUSTMENT e.g. DTAs]	
	<i>of which:</i> [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 1 at 50%]	
	<i>of which:</i> [INSERT TYPE OF ADJUSTMENT]	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	
43	Total regulatory adjustments to Additional Tier 1 capital	
44	Additional Tier 1 Capital (AT1)	
44a	Additional Tier 1 capital reckoned for capital adequacy	
45	Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)	128915.70
	Tier 2 Capital : Instruments and provisions	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	17520.00
47	Directly issued capital instruments subject to phase out from Tier 2	



48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	
49	<i>of which:</i> instruments issued by subsidiaries subject to phase out	
50	Provisions	13116.20
51	Tier 2 capital before regulatory adjustments	30636.20
Tier 2 Capital : regulatory adjustments		
52	Investments in own Tier 2 instruments	
53	Reciprocal cross-holdings in Tier 2 instruments	2799.00
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	
55	Significant investments ¹³ in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
56	National specific regulatory adjustments (56a+56b)	
56a	<i>of which:</i> Investments in the Tier 2 capital of unconsolidated subsidiaries	
56b	<i>of which:</i> Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment	
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%]	
	<i>of which:</i> [INSERT TYPE OF ADJUSTMENT	
57	Total regulatory adjustments to Tier 2 capital	
58	Tier 2 capital (T2)	
58a	Tier 2 capital reckoned for capital adequacy	27837.20
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital	
58c	Total Tier 2 capital admissible for capital adequacy (58a+58b)	
59	Total capital (TC=T1+T2) (45+58C)	156752.90
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment	
	<i>of which:</i> [INSERT TYPE OF ADJUSTMENT]	
	<i>of which:</i> ...	
60	Total risk weighted assets (60a+60b+60c)	1382095.19
60a	<i>of which:</i> total credit risk weighted assets	1184697.38
60b	<i>of which:</i> total market risk weighted assets	99653.92
60c	<i>of which:</i> total operational risk weighted assets	97743.89
Capital ratios		
61	<i>Common Equity Tier 1 (as a percentage of risk weighted assets)</i>	
62	Tier 1 (as a percentage of risk weighted assets)	9.33
63	Total capital (as a percentage of risk weighted assets)	11.34
64	<i>Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)</i>	
65	<i>of which: capital conservation buffer requirement</i>	
66	<i>of which: bank specific countercyclical buffer requirement</i>	
67	<i>of which: G-SIB buffer requirement</i>	
68	<i>Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted Assets)</i>	



National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00
71	National total capital minimum ratio (if different from Basel III minimum)	9.00
Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financial entities	
73	Significant investments in the common stock of financial entities	
74	Mortgage servicing rights (net of related tax liability)	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	
Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	9512.92
77	Cap on inclusion of provisions in Tier 2 under standardized approach	14808.72
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	
82	Current cap on AT1 instruments subject to phase out arrangements	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	
84	Current cap on T2 instruments subject to phase out arrangements	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	



Notes to the Template

Row No. of the template	Particular	₹ in lacs
10	Deferred tax assets associated with accumulated losses	
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	7522.16
	Total as indicated in row 10	7522.16
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	
	of which: Increase in Common Equity Tier I Capital	
	of which: Increase in Additional Tier I Capital	
	of which: Increase in Tier 2 Capital	
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	
	(i) Increase in Common Equity Tier I Capital	
	(ii) Increase in risk weighted assets	
44a	Excess Additional Tier I capital not reckoned for capital adequacy (difference between Additional Tier I capital as reported in row 44 and admissible Additional Tier I capital as reported in 44a)	
	of which: Excess Additional Tier I capital which is considered as Tier 2 capital under row 58b	
50	Eligible Provisions included in Tier 2 capital	9512.92
	Eligible Revaluation Reserves included in Tier 2 capital	3530.55
	Total of row 50	13116.21
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	



Table DF - 13
Main Features of Regulatory Capital Instruments

S. No.	Disclosure template for main features of regulatory capital instruments	Equity Shares	Series - V	Series -VI	Series - VII (A)	Series - VII (B)	Series -VIII
1	Issuer	LVB	LVB	LVB	LVB	LVB	LVB
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE694C01018	INE694C09060	INE694C08021	INE694C08039	INE694C08047	INE694C08054
3	Governing law(s) of the instrument	Companies Act, SEBI Regulations, RBI Guidelines, and other related rules regulations etc	RBI Guidelines, SEBI Regulations, Companies Act and other related rules regulations etc.	RBI Guidelines, SEBI Regulations, Companies Act and other related rules regulations etc	RBI Guidelines, SEBI Regulations, Companies Act and other related rules regulations etc	RBI Guidelines, SEBI Regulations, Companies Act and other related rules regulations etc	RBI Guidelines, SEBI Regulations, Companies Act and other related rules regulations etc
	Regulatory treatment						
4	Transitional Basel III rules	Common Equity Tier - I	Tier - II	Tier - II	Tier - II	Tier - II	Tier - II
5	Post-transitional Basel III rules	Common Equity Tier - I	Eligible	Eligible	Eligible	Eligible	Eligible
6	Eligible at solo/group/ group & solo	Solo	Solo	Solo	Solo	Solo	Solo
7	Instrument type	Common Shares	Unsecured Redeemable Non Convertible Subordinated (Tier- II) Bonds in the nature of Promissory Notes/ Debentures (Series V)	Unsecured Redeemable Non Convertible Subordinated (Tier- II) Bonds in the nature of Debentures (Series VI)	Unsecured Redeemable Non Convertible Subordinated (Tier- II) Bonds in the nature of Debentures ("Bonds")(Series VII)	Unsecured Redeemable Non Convertible Subordinated (Tier- II) Bonds in the nature of Debentures ("Bonds")(Series VII)	Unsecured Non Redeemable Basel III Compliant (Tier- II) Bonds in the nature of Debentures (Series VIII)
8	Amount recognized in regulatory capital	17520 lacs	600 lacs	0.00 lacs	7980 lacs	1130 lacs	7810 lacs
9	Par value of instrument (in Rs.)	Rs. 10 per share	10.00 lacs	10.00 lacs	10.00 lacs	10.00 lacs	10.00lacs



S. No.	Disclosure template for main features of regulatory capital instruments	Equity Shares	Series - V	Series -VI	Series - VII (A)	Series - VII (B)	Series - VIII
10	Accounting classification	Shareholders Equity	Liability	Liability	Liability	Liability	Liability
11	Original date of issuance	Various Dates	30.09.2006	25.11.2009	10.02.2012	10.02.2012	24.03.2014
12	Perpetual or dated	Perpetual	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	No Maturity	30.04.2016	25.11.2015	10.02.2018	10.02.2022	24.03.2024
14	Issuer call subject to prior supervisory approval	No	-	-	-	-	-
15	Optional call date, contingent call dates and redemption amount	NA	-	-	-	Call option exercisable only if the instrument has run for 10 years; first call date is 11.02.2022. Further call option exercised only with the prior approval of RBI. These bonds are redeemable at par.	Call option exercisable only if the instrument has run for 10 years; first call date is 25.03.2024. Further call option exercised only with the prior approval of RBI. These bonds are redeemable at par.
16	Subsequent call dates, if applicable		-	-	-	-	-
	Coupons / dividends		-	-	-	-	-
17	Fixed or floating dividend/ coupon		Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index		9.95%	10.80%	11.40%	11.40%	11.80%
19	Existence of a dividend stopper	NA	No	No	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No
22	Noncumulative or cumulative	Non-cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	NA	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible



S. No.	Disclosure template for main features of regulatory capital instruments	Equity Shares	Series - V	Series -VI	Series - VII (A)	Series - VII (B)	Series -VIII
24	If convertible, conversion trigger(s)	NA	NA	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA	NA	NA
30	Write-down feature	No	No	No	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA	All Depositors and other Creditors of the Bank	All Depositors and other Creditors of the Bank	All Depositors and other Creditors of the Bank	All Depositors and other Creditors of the Bank	All Depositors and other Creditors of the Bank
36	Non-compliant transitioned features	-	-	-	-	-	-
37	If yes, specify non-compliant features	-	-	-	-	-	-



Table DF - 14

Full Terms and Conditions of Regulatory Capital Instruments

Details of Tier II Capital (Banks - Regulatory Capital instruments) raised by the Bank and the position as on 31.03.2015					
Instruments	Series-V	Series - VI	Series -VII (A)	Series - VII (B)	Series-VIII
Date of Allotment	30.09.2006	25.11.2009	10.02.2012	10.02.2012	24.03.2014
Date of Redemption	30.04.2016	25.11.2015	10.02.2018	10.02.2022	24.03.2024
Rate of Interest	9.95%	10.80%	11.40%	11.40%	11.80%
Amount	3000.00 Lacs	10000.00 Lacs	19950.00 Lacs	5050.00 Lacs	7810.00 Lacs
Nature of Instrument	Bonds in nature of Debentures / promisory Bonds	Bonds in nature of Debentures/ promisory Bonds	Bonds in nature of Debentures/ promisory Bonds	Bonds in nature of Debentures / promisory Bonds	Bonds in nature of Debentures / promisory Bonds
Amount Subscribed	3000.00 Lacs	10000.00 Lacs	19950.00 Lacs	5050.00 Lacs	7810.00 Lacs
Face Value of the Bond	10.00 lacs	10.00 lacs	10.00 lacs	10.00 lacs	10.00lacs
Issuance, Trading and Listing	N S E	N S E	N S E	N S E	N S E



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

(₹ in 000's)

	31.03.2015	31.03.2014
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit as per Profit & Loss Account	1322859	596555
ADJUSTMENTS FOR:		
Provisions & Contingencies	2441516	2493417
Depreciation	155448	235834
Loss on sale of assets	3233	-382
Income Tax / T D S paid	-411000	-285291
Net cash flow before changes in Working Capital	3512056	3040133
CHANGES IN WORKING CAPITAL :		
LIABILITIES : Increase/Decrease in		
Deposits	33913301	29539042
Refinances	0	-219000
Other Liabilities	-1162583	-2246209
	32750718	27073833
ASSETS : Increase/Decrease in		
Investments	4151046	13641308
Advances	34628294	11863940
Leased-out Assets	0	0
Other Assets	834063	-431022
	-39613403	-25074226
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	-594791	-359256
Sale of Fixed Assets	7062	3307
	-587729	-355949
CASH FLOW FROM FINANCING ACTIVITIES:		
Share issue including share premium net of forfeited shares	4105290	2449
Tier II Bonds	0	0
Dividends paid	-96592	-288869
	4008698	-286420
Cash flow for the year	70341	4397371
Cash & Cash equivalents at the beginning of the year	13116869	8719498
Cash & Cash equivalents at the year end	13187210	13116869

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.

AUDITORS' CERTIFICATE

We have verified the Cash Flow Statement of The Lakshmi Vilas Bank Limited, Karur for the year ended March 31, 2015. This cash flow statement is the responsibility of the Management of the Bank in accordance with clause 32 of the listing agreement entered into with the Stock Exchange and is in agreement with the Balance Sheet as at March 31, 2015 and the Profit & Loss Account for the year ended March 31, 2015 dealt with in our report dated 29.04.2015 to the members of The Lakshmi Vilas Bank Limited.

For **R.K. KUMAR & CO.,**
Chartered Accountants
FRN: 001595S

(G. NAGANATHAN)

Partner
Membership No. : 022456

Place : Bangalore
Date : 29th April, 2015


LAKSHMI VILAS BANK

Auditor's Certificate on Corporate Governance

To,

The Members
The Lakshmi Vilas Bank Limited
Karur

We have examined the compliance of conditions of Corporate Governance by The Lakshmi Vilas Bank Limited for the year ended 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the said Bank with Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Notes issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the Bank and as per the records maintained by the Stakeholders Relationship Committee (erstwhile known as Share Transfer and Investors' Grievances Committee).

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For **R.K. KUMAR & CO.,**
Chartered Accountants
FRN: 001595S

(G. NAGANATHAN)
Partner
Membership No. : 022456

Place : Bangalore
Date : 29th April, 2015

AUDITORS' CERTIFICATE ON ESOS

This is to certify that M/s. The Lakshmi Vilas Bank Ltd. has implemented the Employees Stock Option Scheme 2010 (ESOS - 2010) in accordance with resolution passed by the Shareholders on 04th August 2010 and as per the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999.

For **R.K. KUMAR & CO.,**
Chartered Accountants
FRN: 001595S

(G. NAGANATHAN)
Partner

Membership No. 022456

Place : Bangalore
Date : 29th April, 2015



Annexure-A

MANAGEMENT DISCUSSIONS AND ANALYSIS

Industry Structure and Developments:

The economic profile of our country recently got a facelift as the Central Statistical Organisation improved the way it measures economic output. The revised national accounts series incorporates numerous conceptual and methodological improvements that make them more consistent with international best practices. Based on this revised GDP, the IMF forecasts growth will strengthen to 7.2 percent in 2014/15 and rise to 7.5 percent in 2015/16, driven by stronger investment following improvements to the business climate.

Further, in one of its recent reports, the IMF indicated that the Indian economy is reviving, helped by positive policy actions that have improved confidence and by lower global oil prices. And in order to continue on this trend, India needs to revitalize the investment cycle and accelerate structural reforms, says the report. In a comparative assessment, the Indian economy is the bright spot in the global landscape, becoming one of the fastest-growing big emerging market economies in the world. Growth numbers are now much higher and the current account deficit is comfortable, in part due to the fall in gold imports and lower oil prices. While the country is well placed to cope with external shocks, there are possible risks on the horizon, both external and domestic. Spillovers from weak global growth and potential global financial market volatility could be disruptive, including from any unexpected developments as the United States begins to raise its interest rates.

The macroeconomic environment is expected to improve in 2015-16, with fiscal policy gearing to an investment-led growth strategy and monetary policy using available room for accommodation. Business conditions in Indian manufacturing assessed in the Reserve Bank's Business Expectations Index (BEI) developed from its industrial outlook survey indicates that Q1 of 2015-16 may see some tempering of the improvement in the second half of 2014-15. This is corroborated by some of the surveys polled by other agencies. It is important to recognise though that most of these surveys were conducted before the presentation of the Union Budget and the easing of monetary policy on March 4. The Reserve Bank's consumer confidence survey (CCS) points to growing consumer optimism since June 2014, reflecting purchasing power gains arising from lower inflation as well as improved perception of income, spending and employment growth.

Large declines in commodity prices and the benign inflation outlook for the near-term should provide a boost to growth. Nevertheless, there are downside risks to growth which could restrain growth prospects if they materialise. The ongoing downturn in the international commodity price cycle, which commenced in 2012, could reverse, given occasional signs of oil prices reviving ahead of global economic activity. In fact, the volatile geopolitical environment could even hasten the reversal. The consequent resurgence of inflation pressures could overwhelm the nascent conditions setting in for recovery. Risks to budgetary forecasts from tax shortfalls, subsidy overshoots and disinvestment under-realisation could impact the level of budgeted allocation for capital expenditure. Early warnings on the south-west monsoon, given the probability of about 50 per cent currently being assigned to an El Nino event, could dent the outlook for agriculture. Finally, if the decline in the gross saving as percentage of Gross National Disposable Income (GNDI) from 33 per cent in 2011-12 to 30 per cent in 2013-14 continues into the medium-term, it could tighten the financial constraint to growth unless productivity improves significantly.

Opportunities and Threats:

The baseline paths projected for growth and inflation are subject to realization of a set of underlying assumptions. The likely paths relative to the baseline that may evolve under plausible risk scenarios are set out below:

(a) Sharp Increase in Crude Oil Prices:

Global crude oil prices are assumed to increase gradually over the forecast horizon in the baseline projections. There is, however, a non-trivial risk of a sharp increase in international crude prices triggered by the materialisation of geo-political tensions and other supply disruptions. In the event of such a shock pushing crude oil prices up by about US\$ 15-20 per barrel above the baseline, inflation could be higher by about 40-60 basis points (bps) by the end of 2015-16 (on account of both direct and indirect effects). Growth could weaken by 10-30 bps over the next two years as the direct impact of higher input costs would be reinforced by spillover effects from lower world demand.

(b) Below Normal Monsoon in 2015-16:

As against the normal monsoon assumption in the baseline, there is a risk of monsoon turning out to be deficient in 2015. This could lead to a lower agriculture output which, in turn, would lower the overall GVA growth by around 40 bps in 2015-16. Food prices could consequently increase, leading to inflation rising above the baseline by 80-100 bps in 2015-16. Factors like spatial and temporal distribution of monsoon, policies relating to food stocks, procurement and minimum support prices (MSPs) may moderate or accentuate the impact of rainfall deficiency.



(c) Depreciation of the Rupee:

Uncertainties surrounding the exchange rate persist. The key risk is that normalisation of monetary policy by the US Fed may spark off safe haven capital flows into US treasuries and spur further appreciation of the US dollar. On the other hand, deflation risks in some of the advanced economies could warrant further monetary accommodation. A depreciation of the rupee by around 10 per cent, relative to the baseline assumption of the current level of exchange rates continuing, could raise inflation by around 20 -30 bps in 2015-16. On an average, growth would be higher by about 10 bps in 2015-16 due to an improvement in the external trade balance while it could turn out to be marginally weaker in 2016-17, assuming tightness in financial conditions intensifying further on materialisation of risks in the external environment.

(d) Easing of Food Inflation:

Headline inflation could also undershoot from the baseline if food inflation moderates by more than what is envisaged. This could be brought about by positive supply shocks, especially through improvements in the supply chain, reforms in market infrastructure and a step-up in investment in agriculture. In such a scenario, headline inflation may be lower by around 100 bps than the baseline by the end of 2015-16.

(e) Crude Oil Price Declining Further:

If crude oil prices decline below the baseline by US\$ 15-20 per barrel in the near-term as a result of excess supply conditions/low global demand in a stable geo-political environment, inflation could turn out to be 30-60 bps below the baseline by the end of 2015-16. Such a decline in crude prices would also raise GVA growth by 10-30 bps above the baseline in the next two years under different pass-through scenarios.

(f) Revision in CSO's GDP Estimates:

Considerable uncertainty surrounds the advance estimates of GDP growth for 2014-15 and information on real economic activity relating to Q4 is expected to be better captured in the revised estimates. If GVA growth (at constant prices) gets revised downwards by 50 bps in the subsequent release(s), it would alter the assessment of demand conditions and a decline in the inflation trajectory for the medium-term by 10-30 bps could result.

(g) Pick-up in Investment Demand:

If the boost to investment expenditure announced in the Union Budget for 2015-16 helps in crowding in private investment, and correspondingly, if investment demand picks up, GDP growth may turn out to be over 50 bps above the baseline in 2015-16. With augmentation of capacity but a still negative output gap, the impact of higher investment demand on inflation in 2015-16 could be minimal.

Outlook:

Envisaging profitable growth is the prime vision of any organization and our bank is no exception. Study on profitability from all varied angles ultimately reaches to a common consensus that, reduction in cost of deposits and operating expenses is the need of the hour.

Banking industry, in its attempt to guard against high cost funds, have been focusing on CASA (Current Account Saving Account) to save profit margins. High proportion of low-cost deposits builds a bank's ability to reduce its cost of funds.

In the present stringent competitive environment, CASA deposits assume greater importance and are profitable resources of the Bank. Hence, growth in CASA deposits would be a key factor to decide the pricing of our products and services, which is very vital for the overall Business Growth and profitability of the Bank. As of 31.03.2015, the bank's CASA composition stands at around 16.67% to total deposits, which is a significant improvement over the March 2014 level of 14.22%. However, the said performance is also below the industry level and full scale efforts are on to further improve the position.

Our bank's Corporate Business Plan for the fiscal 2015-16 has been re-aligned to get into higher growth orbit on all key parameters to capture the key position among peers and to stay ahead in the competitive environment with the following strategies / objectives:

- The total branch network is planned at 460 as of March 2016, by opening another 60 new branches in prime locations.
- For Better visibility and enhancing the brand image, the network of ATMs is aimed to be increased to the level of 1000 as at Mar'16 by adding 180 new ATMs.
- Strong Customer franchise across different business segments.
- Leveraging the technological platform to deliver more products / services on customer expectation and reduce expenditure.



- Maintain high standards for asset quality.
- No slippage to NPA has been projected for any big ticket during the financial year 2015-16.
- Thrust and focus shall be given for achieving the CASA quantum in the whole period of FY15-16.
- More familiarization and publicity activities through both print and electronic Media, besides outdoor activities and lead generation process.
- Driving CASA Sales Team.
- Appointment of skilled Sales/Marketing Personnel.
- Vertical focusing on Para banking, HNI and NRI business.

Risk & Concern:

The bank has adopted suitable risk management practices for managing liquidity risk, market risk, credit risk and operational risk taking into consideration, the volume and nature of business activities and Regulatory Compliances. Overseeing of Risk continues to be an underlying factor in all growth initiatives.

The Integrated Risk Management Committee of the Board ensures that risk is appropriately managed in the Bank. The policies put in by the Bank help to meet the dynamic challenges in the external and internal environments in which the bank operates and also to comply with the regulatory requirements. The present capital adequacy ratio placed the bank in a satisfactory level as per BASEL III norms.

The Bank is, maintaining CRAR at 11.34% (Basel III), well above the minimum level of 9% with Tier I at 9.33% (minimum of 7% as per Basel III guidelines) and Tier II at 2.01%. During the financial year 2014-15, the Bank has raised the funds through Rights Issue for the purpose of fulfilling the Basel III norms. Further, the Bank is in the process of examining the need and timing of raising further capital (Tier I and / or Tier II) to meet Basel III requirements within the Policy framework with the approval of shareholders and regulators.

Internal Control Systems:

The Bank has put in place well-articulated internal control measures in tune with the complexity of business operations, organization's size and supervisory compliance standards. Dual control on transactions and assets, control returns review by controlling offices, periodic visit and review of branches by executives of controlling offices are a few major control mechanisms in place.

There is continuous review of the efficacy of the systems and the following audit & Inspections are carried out:

- Risk based Internal Audit to measure the risk in branches and work out the mitigating techniques along with transactions based internal audit.
- Pre-disbursement Credit Audit, Credit Audit (Post Disbursement) and Legal Audit.
- Revenue Audit/Income leakage audit and various snap audits to review specific areas of operation including compliance to inspection observation.
- Concurrent audit by Empanelled Chartered Accountant Firms.
- Information System Audit by Information System Auditors and trained inspectors/External Auditors.
- Statutory Audit of Branches and controlling offices by Chartered Accountant Firms in terms of guidelines of the Reserve Bank Of India.
- Management Audit of Controlling offices/ Departments at Corporate Office (C.O) by trained Internal Inspectors of Branches.

Software application is being implemented to enhance the efficiency and effectiveness of risk based internal audit and to have robust MIS on the risks and controls. Compliance function is strengthened through an independent compliance department and implementation of application software for monitoring statutory, regulatory and internal compliance.

An executive level committee consisting of top executives reviews every inspection report and minutes of the committee meetings are reviewed by Audit Committee of the Board. The Audit Committee of the Board (ACB) oversees the entire audit function of the Bank and the compliance thereof.



Discussions on Financial Parameters with respect to Performance:

Business Segmentation:

Deposit	₹ In Crores	%	Advances	₹ In Crores	%
Demand Deposit	1509.86	6.87%	Bills purchased & discounted	1045.15	6.39%
Savings Deposit	2152.54	9.80%	Cash Credits, Overdrafts & loans repayable on demand	9727.28	59.49%
Term Deposit	18301.81	83.33%	Term Loan	5579.59	34.12%
Total	21964.21	100.00%	Total	16352.02	100.00%

- Net profit for the year increased by 121.74%, from ₹ 59.66 Crs for FY14 to ₹ 132.29 Crs for FY15.
- Operating Profit for the year up by 21.83%, Y-o-Y.
- Total income for FY15 was at ₹ 2498.57 Crs, with a growth of 14.22% over the previous year ₹ 2187.54 Crs.
- Interest Income improved by 11.62% over the last fiscal.
- Cost of Deposit of the bank has come down from 8.74% to 8.58%, Y-o-Y.
- Yield on Advances stood at 12.76%, as of 31st Mar 2015.
- Gross NPA declined from 4.19% to 2.75% and Net NPA from 3.44% to 1.85%.
- Total Deposits rose from ₹ 18572.88 Crs in FY14 to ₹ 21964.21 Crs, registering Y-o-Y growth of 18.26%.
- CASA grown from ₹ 2640.90 Crs to ₹ 3661.84 Crs, registering Y-o-Y growth of 38.66%.
- Gross Advances increased from ₹ 13037.70 Crs to ₹ 16512.84 Crs registering Y-O-Y growth of 26.65%.
- Total Business of the bank reached ₹ 38477.05 Crs, showing an increase of 22% on a Y-o-Y basis – Both Deposits and Advances Targets achieved.
- The Capital Adequacy Ratio stood at 11.34%, under Basel III (11.57% under Basel II) as at 31st Mar 2015.

Staff / Industrial Relations

The Bank has increased its manpower to 3459 at the end of the financial year 2014-15. Specialist Officers in Marketing, Credit Appraisal and specialized functions were recruited during the year. The Bank has been continuously assessing manpower needs. 140 officers and executives were promoted to higher scales. By recruiting 472 Sales Personnel thrust is being given for CASA mobilization. The Bank maintains cordial relationship with the Employees' Union and Officer's Association that is poised to accelerate the growth of the Bank and enhance the productivity among peer levels.

Training is commensurate with requirement of updating the knowledge so as to compete with emerging challenges and newer forms of risk that are technology driven. Credit skills enhancement, KYC compliance and treating customers fairly are being emphasized by nominating the resources to reputed external training institutions.



Annexure-B

BOARD OF DIRECTORS AND COMMITTEES

The composition of the Board of Directors is governed by the provisions of the Companies Act, 2013, Banking Regulation Act, 1949 and Listing Agreement entered with National Stock Exchange of India Limited, Mumbai and Bombay Stock Exchange Limited, Mumbai. The Board consists of 13 Directors as on 31.03.2015 including two nominee Directors appointed by Reserve Bank of India. On 23.08.2014, the Board had inducted two additional Directors viz., Shri. Pankaj Vaish and Shri. Prakash P Mallya, whose appointments were approved by the shareholders in the 87th AGM and on 10.03.2015, Mrs. E. V. Sumithasri was co-opted by the Board as an additional Director. Her induction is also in compliance with Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement pertaining to the appointment of woman director. Further, Shri. Rampriya Sharan, Shri. A. Satish Kumar and Shri.B.K.Manjunath Directors resigned from the Board of the Bank on 23.08.2014, 04.09.2014 and 13.01.2015 respectively, thus the strength of the Board was 13 Directors as on 31.03.2015. The Board consists of eminent persons with considerable professional expertise and experience in Banking, Law, Accountancy, Consultancy, Engineering, Finance, Information Technology, Agriculture, Small Scale Industry and Business. Details of the names of the Directors, number of meetings held and attendance during the year are provided in Annexure C.

The Bank has not entered into any materially significant transaction which could have a potential conflict of interest with its promoters, directors, management or relatives etc., except the transactions entered into in the normal course of banking business.

Committees of Directors:

The Board has constituted various Committees of Directors to deal with matters, which need special and continued focus and timely monitoring of the activities falling within the terms of reference of the Committees. The details of such specialized Board Committees as on 31.03.2015 are as under:

Audit Committee:

Audit Committee of the Board, from 10.02.2015, is chaired by Shri.D.L.N.Rao, an Independent Director, after the resignation of Shri. B.K. Manjunath, who was the Chairman of the Audit Committee until his resignation. Audit Committee provides direction and oversees the operation of total audit function in the Bank as per RBI guidelines. Details of the names of the members and chairman, meetings and attendance during the year under review, are provided in Annexure C. The terms of reference of Audit Committee are in accordance with RBI guidelines and clause 49 of listing agreement and include the following:

- Overseeing the Bank's financial reporting process and ensuring correct, adequate and credible disclosure of financial information.
- Recommending appointment and removal of external auditors and fixing of their fees.
- Reviewing with management the annual financial statements before submission to the Board with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements and
- Reviewing the adequacy of the Audit and Compliance function, including their policies, procedures, techniques and other regulatory requirements in 2014-15.

Stakeholders Relationship Committee:

The Stakeholders Relationship Committee specifically looks into the redressal of grievances of shareholders, debenture holders and other security holders. The Committee also considers and resolves the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends. Details of name of the Chairman & members of the Committee, Compliance Officer, meetings and attendance during the year are provided in another part of this Annual Report.

Integrated Risk Management Committee:

The Integrated Risk Management Committee constituted as per RBI guidelines, formulates Bank's credit and Market risk policies and reviews the Assets and Liabilities of the Bank based on periodical structural liquidity and dynamic liquidity statements on outflows and inflows and also analyses the interest rate sensitivity of assets and liabilities.

Fraud Monitoring Committee & Review Committee on Non-cooperative borrowers:

Pursuant to the Directions of the Reserve Bank of India, the Bank has constituted a Fraud Monitoring Committee, exclusively dedicated to the monitoring and following up of cases of fraud involving amounts of Rs.1 crore and more. The objective of this Committee is the effective detection of frauds and ensuring prompt reporting thereof to regulatory and enforcement agencies. This Committee also functions as the Review Committee on Non-cooperative borrowers.


Customer Service Committee:

Pursuant to the Directions of the Reserve Bank of India, the Bank has constituted a Customer Service Committee exclusively dedicated to bring about improvement in the quality of customer service provided by the bank.

Management Committee:

Pursuant to the Directions of the Reserve Bank of India, the Bank has constituted a Management Committee of the Board which is vested with full powers for sanction / ratification of all kinds of loans and advances normally falling within the purview of the lending policies framed by the Board from time to time and full powers for approving compromise proposals in respect of loans and advances normally falling within the purview of the compromise policy framed by the bank from time to time and approval of capital and revenue expenditure, filing suits / appeals, investments, donations and any other matter referred to / delegated to the Committee by the Board.

Nomination and Remuneration Committee:

Pursuant to the legal and regulatory requirements, the Bank has constituted a Nomination and Remuneration Committee of the Board. The role of the Committee includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The scope of the Committee shall also include the requirements of the RBI as mentioned in their Circular DBOD.No.BC.104/08.139.001/2003-04 dated 25.06.04 for scrutiny of the declarations submitted by the directors and for carrying out the due diligence process for the appointment of directors.

Further, the Committee's scope shall include overseeing the framing, review and implementation of compensation policy of the bank on behalf of the Board as laid down in the Reserve Bank of India circular No.BC 75/29.67.001/2011-12 dated January 13, 2012 being the guidelines issued on the compensation of Whole Time Directors / Chief Executive Officers / Risk takers and Control function staff, etc.

The scope and role of the Committee shall also include such other assignments as is and as may be assigned by the regulatory / statutory authorities from time to time.

IT Strategy Committee:

Pursuant to the Directions of the Reserve Bank of India, the Bank has constituted an IT Strategy Committee of the Board and the roles and responsibilities of this Committee includes oversight of the IT strategy and policy documents, measuring the contribution of IT to business and ensuring that the IT organizational structure complements the business model. The Committee also exercises the powers to approve all the proposals and their resultant expenditure pertaining to Information Technology and Alternate Channels & ATMs.

Compensation Committee:

Constituted as per Regulations of Securities and Exchange Board of India, the Compensation Committee deals with the framing of detailed terms and conditions of the ESOS besides the administration and superintendence of the ESOS scheme and to ensure that there is no violation of Securities and Exchange Board of India (Insider Trading) Regulations, 1992; and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995, by any employee – as laid down under the guidelines of SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guideline 2009.

HR Committee:

The role of the HR Committee of Board includes powers for framing policies for recruitment, compensation, incentives, training, promotion, transfer, service conditions, disciplinary proceedings, performance appraisal, etc.

Infrastructure Development Committee:

The committee deals with premises approval, interiors furnishing, and infrastructure improvement.

**CSR Committee:**

Formulated as per Section 135 and Schedule VII of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014, the Committee exercises such powers as laid down under the applicable provisions of the Act and the Rules thereto.

The Board has also constituted a Committee of Board for Capital Raising, which deals with capital raising plans and such relevant scope as the Board may authorize. The Board during the financial year had dispensed with the Business Strategy and Advisory Committee.

The number and dates of the meetings of the Board and Committees held during the financial year is given as below. The details of attendance of the directors in the Board meetings and the major Committee meetings are provided in Annexure C to this Report.

Meeting Details of Board / Committees:**Board Meeting:**

1776 - 02.05.2014, 1777 - 03.05.2014, 1778 - 14.05.2014, 1779 - 16.07.2014, 1780 - 23.08.2014, 1781 - 04.09.2014, 1782 - 25.09.2014, 1783 - 26.09.2014, 1784 - 17.10.2014, 1785 - 03.12.2014, 1786 - 13.01.2015, 1787 - 28.01.2015, 1788 - 10.03.2015, 1789 - 25.03.2015.

Audit Committee:

131 - 02.05.2014, 132 - 14.05.2014, 133 - 16.07.2014, 134 - 23.08.2014, 135 - 16.10.2014, 136 - 07.11.2014, 137 - 02.12.2014, 138 - 12.01.2015, 139 - 09.03.2015.

Management Committee:

125 - 17.04.2014, 126 - 02.05.2014, 127 - 13.05.2014, 128 - 12.06.2014, 129 - 25.06.2014, 130 - 15.07.2014, 131 - 01.08.2014, 132 - 23.08.2014, 133 - 04.09.2014, 134 - 16.09.2014, 135 - 25.09.2014, 136 - 16.10.2014, 137 - 31.10.2014, 138 - 07.11.2014, 139 - 02.12.2014, 140 - 19.12.2014, 141 - 08.01.2015, 142 - 28.01.2015, 143 - 18.02.2015, 144 - 09.03.2015, 145 - 25.03.2015.

Integrated Risk Management Committee:

45 - 13.05.2014, 46 - 16.09.2014, 47 - 12.12.2014, 48 - 09.03.2015.

HR Committee:

8 - 18.04.2014, 9 - 13.05.2014, 10 - 11.06.2014, 11 - 31.07.2014, 12 - 03.09.2014, 13 - 26.09.2014, 14 - 30.10.2014, 15 - 29.01.2015.

Customer Service Committee:

23 - 02.12.2014, 24 - 09.03.2015.

Fraud Monitoring Committee and Review Committee on Non-cooperative borrowers:

25 - 26.09.2014, 26 - 18.02.2015.

Corporate Social Responsibility Committee:

1 - 23.12.2014, 2 - 12.01.2015.

Infrastructure Development Committee:

72 - 14.05.2014, 73 - 23.08.2014, 74 - 17.10.2014, 75 - 03.12.2014, 76 - 13.01.2015, 77 - 10.03.2015

IT Strategy Committee:

7 - 16.09.2014, 8 - 08.10.2014, 9 - 23.12.2014, 10 - 26.02.2015.

Nomination Committee and (modified) Nomination & Remuneration Committee:

42 - 11.06.2014, 43 - 15.07.2014, 44 - 23.08.2014 and 1 - 13.01.2015, 2 - 10.03.2015.

Compensation & Remuneration Committee and (modified) Compensation Committee:

17 - 14.05.2014 and 1 - 13.01.2015.

**Business Strategy & Advisory Committee (now dispensed):**

9 - 07.04.2014.

Share Transfer & Investors' Grievances Committee and (modified) Stakeholders Relationship Committee:

79 - 13.05.2014, 80 - 25.09.2014 and 81 - 19.12.2014, 82 - 10.03.2015.

Meeting of the Independent Directors:

1 - 10.03.2015.

Committee of Directors for Rights Issue and Committee of Directors for Capital Raising:

2 - 11.06.2014, 3 - 29.07.2014, 4 - 02.09.2014, 5 - 03.12.2014 and (CRC) 07.04.2014.

Disclosure:

There was no penalty or strictures passed on the bank by any regulatory authority for non-compliance of any laws during the concerned financial year. Further there are no penalties or strictures imposed on the bank by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.



Annexure-C
Composition of the Board of Directors together with the attendance at meetings of the Board, its Committees and Annual General Meeting and directorship held from 01.04.2014 to 31.03.2015

Name of the Director, DIN & No. of Shares held by them as on 31.03.2015	Chairman of the Board / Committee as on 31.03.2015	Representation as per Banking Regulation Act	Category as per Listing Agreement	Board (14 meetings)	Audit Committee (9 meetings)	Stakeholders Relationship Committee (4 meetings)	Management Committee (14 meetings)	Integrated Risk Management Committee (4 meetings)	Infrastructure Development Committee (6 meetings)	Customer Services Committee (2 meetings)	Fraud Monitoring Committee (2 meetings)	Compensation & Remuneration Committee (1 meeting)	Compensation Committee (CCB) (1 meeting)	Business Strategy Advisory Committee of the Board (1 meeting)	IT Strategy Committee of the Board (4 meetings)	HR Committee of the Board (6 meetings)	Nomination Committee (Changed To) (5 meetings)	Corporate Social Responsibility Committee (2 meetings)	Meeting of Independent Director (1 meeting)	COD on Capital Raising (1 meeting)	COD on Rights Issue (4 meetings)	Annual General Meeting	No. of Other Directorships held as on 31.03.2015	Other Companies Name in which he is the Director as on 31.03.2015	Other Companies in which he is the Chairman of any Committee	
Mr. Raghuraj Guljar Non-Executive Chairman DIN: 02734451 (No. of Shares: Nil) (Till 23.04.2015)	Board, SFC, CSC & CCB	Minority - Accountancy	Non-Independent / Non-executive	14	1	4	NA	NA	NA	2	NA	NA	NA	NA	NA	NA	2	NA	NA	1	YES	3	MisKare Power Resources (P) Ltd MisPravaa International Pte Ltd MisPravaa Hydropower (P) Ltd	Nil		
Mr. Rakesh Sharma Managing Director DIN: 09646534 (No. of Shares: 1100)	IRMC, FMC, MCB, Gratuity, PF, Pension & Capital Paving	Majority - Banking	Non-Independent / Executive	14	NA	NA	21	4	6	2	2	1	1	NA	4	8	3	2	NA	NA	4	YES	Nil	Nil	Nil	
Mr. D.L. N Rao DIN: 02050579 (No. of Shares: 3187)	ACB & NFC	Majority - Law	Independent / Non-executive	10	6	2	2	NA	5	NA	2	NA	1	NA	NA	5	4	NA	1	NA	NA	YES	Nil	NA	Nil	
Mr. B. K. Manjunath DIN: 00819891 (Till 13.01.2015)		Majority - Accountancy	Independent / Non-executive	11	8	NA	5	NA	NA	1	1	1	NA	NA	3	NA	3	2	NA	NA	4	YES	NA	NA	NA	
Mr. K. R. Pradeep DIN: 00153097 (No. of Shares: 4165285)	HRC	Minority - Consultancy	Non-Independent / Non-executive	14	NA	NA	19	4	6	NA	NA	NA	NA	1	NA	8	5	NA	NA	1	4	YES	8	Mis Pravaa Electronics (P) Ltd., Mis Kare Electronics And Developments (P) Ltd., Mis Kare Power Resources (P) Ltd., Mis Vision EL-Tech and Services (P) Ltd., Mis Celestial Technosoft and Services (P) Ltd., Mis GreenBanyan Power (P) Ltd., Mis Brimavan Hydropower (P) Ltd Mis Pravaa International Pte Ltd.,	Nil	
Mr. S. G. Prabaksharan DIN: 0005140 (No. of Shares: 4004)	CSR	Minority - Business	Non-Independent / Non-executive	14	NA	NA	16	2	NA	NA	2	NA	NA	1	NA	1	NA	NA	2	NA	1	YES	3	Mis Royalsoft Services Ltd. Mis JAS Real Properties Private Ltd. Mis Arison Capital Asset Management Private Ltd.	Mis. RoyalSoft Services Limited	
Mr. S. Dattamajyan DIN: 00724556 (No. of Shares: 132219)		Majority - Small Business Enterprise	Independent / Non-executive	12	3	NA	2	3	2	2	NA	NA	NA	1	NA	NA	2	NA	Nil	NA	NA	YES	1	Mis Vaahar Polcot (P) Ltd.	Nil	
Mr. R. Shaaran DIN: 0504025 (Till 23.08.2014)		Majority - Finance	Independent / Non-executive	4	3	NA	NA	Nil	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Mr. A. Satish Kumar DIN: 0087283 (Till 04.09.2014)		Majority - SSI	Independent / Non-executive	5	4	NA	2	NA	NA	NA	NA	1	NA	NA	NA	3	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Mr. P. A. Shankar DIN: 09659477 (No. of Shares: 218)		Majority - Agriculture and Rural Economy	Independent / Non-executive	14	2	NA	NA	NA	6	NA	1	1	1	NA	NA	NA	2	NA	1	4	YES	Nil	Nil	Nil	Nil	
Mr. M. Malayalamirtham DIN: 09846597 (No. of Shares: 81629)	IDC	Minority - Business	Non-Independent / Non-executive	13	NA	3	5	NA	6	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	YES	Nil	Nil	Nil	



Name of the Directors, DIN & No. of Shares held by them as on 31.03.2015	Chairman of the Board / Committee as on 31.03.2015	Representation as per Banking Regulation Act on 31.03.2015	Category as per Listing Agreement	Board (14 meetings)	Audit Committee (ACB) (8 meetings)	Stakeholders Relationship Committee (4 meetings)	Management Committee of the Board (MCB) (21 meetings)	Integrated Risk Management Committee (IRMC) (4 meetings)	Infrastructure Development Committee (IDC) (6 meetings)	Customer Service Committee (CSC) (12 meetings)	Fraud Monitoring Committee (FMC) (2 meetings)	Compensation & Remuneration Committee of the Board (1 meeting)	Compensation Committee (CCB) (1 Meeting)	Business Strategy Advisory Committee of the Board (1 meeting)	IT Strategy Committee of the Board (4 meetings)	HR Committee of the Board (8 meetings)	Nomination Committee (Change To Nomination and Remuneration Committee) (5 meetings)	Corporate Social Responsibility Committee (2 meetings)	Meeting of Independent Director as on (1 meeting)	COD on Capital Raising Issue (1 meeting)	COD on Rights Issue (4 meetings)	Annual General Meeting	No. of Other Directorships held as on 31.03.2015	Other Companies Name in which he is the Director as on 31.03.2015	Other Companies in which he is the Chairman of any Committee
Mr. Pravej Vash DIN 0036724 (No. of Shares:100) (From 23.09.2014)	IT STRATEGY	Majority - Information Technology	Independent /Non-executive	8	NA	NA	NA	NA	3	NA	2	NA	NA	NA	4	3	NA	NA	NA	NA	YES	Nil	Nil	Nil	
Mr. Prakash Mallya DIN 0241304 (No. of Shares:100) (From 23.09.2014)		Small Scale Industry /Special Knowledge) and Banking (Practical Experience)	Independent /Non-executive	8	5	NA	13	2	NA	NA	NA	NA	1	NA	4	2	NA	NA	NA	NA	YES	1	M/s Stock Holding Corporation of India Ltd	Nil	
Ms. B. Sureshni DIN 0798767 (No. of Shares:Nil) (From 10.03.2015)		Majority - Information Technology	Independent /Non-executive	2	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	Nil	Nil	Nil	
Mr. Vivek Deep DIN 0703236 (From 03.12.2014) (No. of Shares: Nil)		RBI Nominee	Non Independent /Non-executive	4	2	NA	5	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	Nil	Nil	Nil	
Mr. R. Bankkumar DIN 0646422 (No. of Shares: Nil) (Till 13.05.2015)		RBI Nominee	Non Independent /Non-executive	12	8	NA	19	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NO	Nil	Nil	Nil	
Mr. Ashok Narain DIN 0646423 (Till 02.12.2014) (No. of Shares: Nil)		RBI Nominee	Non Independent /Non-executive	8	6	NA	14	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NO	NA	NA	NA	

ATTENDANCE AT AUDIT COMMITTEE MEETINGS FOR THE FY 2014-15

Name of the Committee Members (Sarvashtree)	Category of Director	Meeting details			Whether attended last AGM (Y/N)
		Held during the tenure of director / invitee	Attended	% of total	
B.K.Manjunath (Till 13.01.2015)	Chairman - NED/Independent	8	8	100%	YES
D.L.N.Rao	Chairman - NED/Independent	8	6	75%	YES
Raghuraj Gujjar	Part Time Chairman / Non Independent	1	1	100%	YES
S.Dattathreyan	NED/Independent	5	3	60%	YES
R.Sharan (Till 23.08.2014)	NED/Independent	3	3	100%	NA
A.Satishkumar (Till 04.09.2014)	NED/Independent	4	4	100%	NA
P.A.Shankar	NED/Independent	2	2	100%	YES
Prakash P Mallya	NED/Independent	5	5	100%	YES
R.Ravikumar - RBI Nominee	NED/Non Independent	9	8	89%	Not Applicable
Vivek Deep - RBI Nominee	NED/Non Independent	2	2	100%	Not Applicable
Ashok Narain - RBI Nominee (Till 02.12.2014)	NED/Non Independent	7	6	86%	Not Applicable



ATTENDANCE AT NOMINATION & REMUNERATION COMMITTEE MEETINGS FOR THE FY 2014-15

Name of the Committee Members (Sarvashree)	Category of Director	Meeting details		
		Held during the tenure of director / invitee	Attended	% of total
D.L.N. Rao	Chairman - NED/Independent	5	4	80%
Rakesh Sharma	Managing Director & CEO	3	3	100%
Raghuraj Gujjar	Part Time Chairman / Non Independent	2	2	100%
B.K. Manjunath (Till 13.01.2015)	NED/Independent	3	3	100%
K.R. Pradeep	NED/Non Independent	5	5	100%
S. Dattathreyan	NED/Independent	5	2	40%
P.A. Shankar	NED/Independent	2	2	100%

The bank has in place a Compensation Policy framed in line with the applicable RBI circular.

STAKEHOLDER'S RELATIONSHIP COMMITTEE FOR THE FY 2014-15

Name of the Non Executive Director heading the Committee	Shri. Raghuraj Gujjar Part Time Chairman / Non Independent
Name and designation of Compliance Officer	Shri. N. Ramanathan Company Secretary & Compliance Officer
Number of Shareholders' Complaints received so far	31
Number of Complaints not solved to the satisfaction of shareholders	Nil
Number of pending Complaints	Nil

INFORMATION ABOUT SHARE TRANSFER WORK TO A DELEGATED AUTHORITY

Description of delegated authority	Full Address of delegated authority	Telephone Numbers	Fax Numbers	E-Mails ID
Name and designation of officer of the Company	N.Ramanathan Company Secretary / Compliance Officer Lakshmi Vilas Bank Limited Corporate Office, "LVB House" No.4, Sardar Patel Road, Guindy, Chennai - 600 032	044 - 22205306	044 -22205317	secretarial@lvbank.in
Name of Board Committee and Chairman's Name	Stakeholders Relationship Committee Mr. Raghuraj Gujjar (as on 31.03.2015) Presently, Mr. S. Dattathreyan Lakshmi Vilas Bank Limited Corporate Office, "LVB House" No.4, Sardar Patel Road, Guindy, Chennai - 600 032	044 - 22205306	044 -22205317	secretarial@lvbank.in
The Registrar and Share Transfer Agent	M/s. Integrated Enterprises (India) Ltd., II Floor, "Kences Towers" No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017	044 - 28140801 28140802 28140803	044- 28142479 28143378	corpseiv@integratedindia.in



Annexure-D

GENERAL SHAREHOLDERS' INFORMATION

Means of Communication:

The Bank published its financial - quarterly and annual results in English language in "Business Line" newspaper and in vernacular language in "Dinamani" newspaper. The results are displayed on the Bank's website at www.lvbank.com. The presentations made to the institutional investors or to the analysts are also displayed in the website.

Management discussion and analysis forms part of the Annual Report, which has been sent to the shareholders of the Bank.

Financial Year 2014-2015:

88th Annual General Meeting:

Date & Time: 03rd September, 2015 at 10.00 a.m.

Venue: Registered Office, Salem Road, Kathapara, Karur - 639 006, Tamilnadu.

Information of last three Annual General Meetings held:

The 85th, 86th and 87th AGM were held on 14th September 2012, 06th August, 2013 and 26th September, 2014 respectively.

Details of Special Resolutions passed during the last three AGMs are as below:

85th AGM - 14-09-2012 - 10.00 a.m. - Registered Office, Karur:

No Special Resolution was passed.

86th AGM - 06-08-2013 - 10.00 a.m. - Registered Office, Karur:

Special Resolution was passed:

Item No. 11 - "Pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 (the Act) (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the provisions of Memorandum & Articles of Association of the Bank, the Listing Agreement entered into with the Stock Exchanges (Stock Exchanges), the provisions of Securities and Exchange Board of India (SEBI), Foreign Exchange Management Act (FEMA), and any other statutory guidelines/regulations, if any, prescribed by the SEBI, Reserve Bank of India (RBI), the Stock Exchanges, the Government of India (GOI) or any other relevant authority from time to time, to the extent applicable, and subject to such approvals, consents, permissions, and sanctions as may be required and subject to such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Bank (herein after referred to as "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent of the Bank be and is hereby accorded to the Board to create, issue, offer and allot, upto 2,50,00,000 Equity Shares of Rs.10/- each or hybrid instruments / securities resulting in, upto 2,50,00,000 Equity shares of ₹10/- each (including the provisions for reservation on firm and /or competitive basis, of such part of issue and for such categories of persons as may be permitted) in the course of one or more public or private offerings in domestic and/ or international market(s), either in the form of Qualified Institutional Placement (QIPs) to Qualified Institutional Buyers (QIBs) and / or Equity Shares through Depository Receipts, including in the form of Global Depository Receipts (GDRs) and / or American Depository Receipts (ADRs) to eligible investors (whether residents and / or non-residents and/or strategic investors and/or institutions/banks and/or incorporated bodies and/or individuals and/or trustees and/ or stabilization agents and/or mutual funds and/or venture capital funds, and / or Indian and / or multi-lateral financial institutions or otherwise, and irrespective of whether or not such investors are members of the Bank, through prospectus and / or letter of offer or circular and / or on public and/or private, such issue and allotment to be made at such time(s) in one or more tranches, at such price or prices, in such manner, on such terms and conditions as the Board, may in its absolute discretion, decide at the time of issue of the aforesaid Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the Mode of Issue viz QIPs, Public Offerings, Private Placements, GDRs, ADRs etc under the respective guidelines and fix the quantum of Issue, terms of the Issue(s), including the class of Investors, to whom the Securities are to be allotted, number of Securities to be allotted in one or more tranches, issue price, face value, premium amount on issue/conversion of Securities etc in respect of each Mode of Issue within the overall limit of 2,50,00,000 Equity Shares of Rs.10/- each, subject to the applicable guidelines for each Mode of Issue.



RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices etc.

RESOLVED FURTHER THAT the Bank and/or any agency or body or persons authorised by the Board, may issue Equity Shares and/or Depository Receipts representing the underlying Equity Shares in the Capital of the Bank or such other Securities in negotiable, registered or bearer form (as may be permissible) with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations (including listing on one or more stock exchanges in and/ or outside India).

RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue Equity Shares and / or Depository Receipts shall be as per the applicable guidelines of Securities and Exchange Board of India.

RESOLVED FURTHER THAT the Board be and is hereby authorised to create, issue offer and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred to above and as may be necessary in accordance with the terms of the offer, subject to the provisions of Memorandum and Articles of Association of the Bank and shall rank pari passu inter se with the then existing equity shares of the Bank in all respects including as to dividend.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorised on behalf of the Bank, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in this regard in its absolute discretion and deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Executives of the Bank.”

Shri. Raghuraj Gujjar, Non-Executive Chairman, Shri.S.G.Prabhakaran, Director, RBI Nominee Directors Shri.R.Ravikumar and Shri. Ashok Narain did not attend the AGM (i.e., 06.08.2013) and remaining all Directors attended.

87th AGM - 26-09-2014 - 10.00 a.m. - Registered Office, Karur:

Special Resolution was passed:

Item Note. 15 - “RESOLVED THAT pursuant to the provisions of Section 62 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the provisions of Memorandum & Articles of Association of the Bank, the Listing Agreement entered into with the Stock Exchanges (Stock Exchanges), the provisions of Securities and Exchange Board of India (SEBI) Act 1999 as amended from time to time, Foreign Exchange Management Act (FEMA) 1999 as amended from time to time, and any other statutory guidelines/regulations, if any, prescribed by the SEBI, Reserve Bank of India (RBI), the Stock Exchanges, the Government of India (GOI) or any other relevant authority from time to time, to the extent applicable, and subject to such approvals, consents, permissions, and sanctions as may be required and subject to such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Bank (herein after referred to as “Board” which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent of the Bank be and is hereby accorded to the Board to create, issue, offer and allot, up to 4,25,00,000 Equity Shares of Rs.10/- each or hybrid instruments / securities resulting in, up to 4,25,00,000 Equity shares of Rs.10/- each (including the provisions for reservation on firm and /or competitive basis, of such part of issue and for such categories of persons as may be permitted) in the course of one or more public or private offerings in domestic and/or international market(s), either in the form of Qualified Institutional Placement (QIPs) to Qualified Institutional Buyers (QIBs) and/ or Equity Shares through Depository Receipts, including in the form of Global Depository Receipts (GDRs) and /or American Depository Receipts (ADRs) to eligible investors (whether residents and/or non-residents and/or strategic investors and/or institutions/banks and/or incorporated bodies and/or individuals and/or trustees and/ or stabilization agents and/or mutual funds and/or venture capital funds, and/or Indian and/ or multi-lateral financial institutions or otherwise, and irrespective of whether or not such investors are members of the Bank, through prospectus and/or letter of offer or circular and /or on public and/or private, such issue and allotment to be made at such time(s) in one or more tranches, at such price or prices, in such manner, on such terms and conditions as the Board, may in its absolute discretion, decide at the time of issue of the aforesaid Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the Mode of Issue viz QIPs, Public Offerings, Private Placements, GDRs, ADRs etc under the respective guidelines and fix the quantum of Issue, terms of the Issue(s), including the class of Investors, to whom the Securities are to be allotted, number of Securities to be allotted in one or more tranches, issue price, face value, premium amount on issue/conversion of Securities etc in respect of each Mode of Issue within the overall limit of 4,25,00,000 Equity Shares of ₹ 10/- each, subject to the applicable guidelines for each Mode of Issue.



RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices etc.

RESOLVED FURTHER THAT the Bank and/or any agency or body or persons authorised by the Board, may issue Equity Shares and/or Depository Receipts representing the underlying Equity Shares in the Capital of the Bank or such other Securities in negotiable, registered or bearer form (as may be permissible) with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations (including listing on one or more stock exchanges in and/ or outside India).

RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of Equity Shares and/or Depository Receipts shall be as per the applicable guidelines of Securities and Exchange Board of India.

RESOLVED FURTHER THAT the Board be and is hereby authorised to create, issue offer and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred to above and as may be necessary in accordance with the terms of the offer, subject to the provisions of Memorandum and Articles of Association of the Bank and shall rank pari passu inter se with the then existing equity shares of the Bank in all respects including as to dividend.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorised on behalf of the Bank, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in this regard in its absolute discretion and deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Executives of the Bank.”

Item No. 16

“**RESOLVED THAT** in supersession of the resolution passed at the 81st Annual General Meeting held on 14th August 2008, subject to the applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Companies Act, 2013 and all other applicable laws, rules, guidelines (including any statutory modification or re-enactment thereof for the time being in force) and subject to all applicable approvals and permissions and sanctions and subject to such conditions as may be prescribed by the concerned authorities while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Bank, consent of the Bank be accorded for acquiring shares of the bank by permitted foreign investors including FII's, FDI's and NRI's by purchase or acquisition on the recognized Stock Exchanges, subject to the condition that the individual holding of the above investors shall not exceed 5% of the paid up capital which is subject to the regulatory approval and the total holding of all the Foreign Investors together shall not exceed 49% of the paid up equity share capital of the Bank within which the aggregate NRI holding shall not exceed 24% or both increased to such other maximum limit as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the object of the above resolution.”

No special resolutions were passed through postal ballot during the last year. As on date, there is no proposal requiring approval of the members through special resolution to be passed through postal ballot.

Annual General Meeting (Next Year) on or before September 30, 2016:

Board Meetings:

Results for the quarter ending June 2015 - The results are to be declared on or before 14th August, 2015. The Bank had declared the results for the QE 30.06.2015 on 23.07.2015.

Results for the quarter ending September 2015 - On or before 14th November, 2015.

Results for the quarter ending December 2015 - On or before 14th February, 2016.

Results for the quarter ending March 2016 - On or before 30th May, 2016.

Code of Conduct:

The Board of Directors at its meeting held on 15.04.2005, approved the Code of Conduct for all the Directors and Senior Management Personnel. The said Code of Conduct has been placed on the website of the Company www.lvbank.com.

The Annual Report contains a declaration signed by CEO.


Disclosure:

During the financial year reported, the bank did not enter into any materially significant related party transactions with its Directors, promoters or their relatives that would potentially conflict with and / or adversely affect the interest of the Bank at large.

The Non-Executive Directors were paid Rs.20,000/- as sitting fees for each Board / Committee meetings which is within the limits prescribed under the Companies Act 2013.

Director Shri.S.G.Prabhakaran is retiring by rotation and being eligible, offers himself for reappointment. Pursuant to the Listing Agreement pertaining to Corporate Governance a brief resume about the retiring director seeking re-election is furnished in the Notice to the Shareholders.

The Bank has complied with all mandatory requirements prescribed in Clause 49 of the Listing Agreement. A Certificate to this effect from the Bank's Statutory Auditors is annexed.

There were no significant and material orders passed by the regulators, courts, tribunals impacting the going concern status and Bank's operations in future.

Whistle Blower Policy: The Bank has laid down a Whistle Blower Policy, in line with the regulatory requirements and no person has been denied access to the audit committee.

CEO/CFO Certification:

CEO/CFO Certification under the Corporate Governance Guidelines prescribed by SEBI has been submitted to the Board by CEO and CFO.

Unclaimed Dividend / Refund:

Information in respect of Unclaimed Dividend & Refund and last date for making claim is given below:

Unclaimed Dividend:

Financial Year	Date of Declaration of Dividend	Amount as on 31.03.2015 in ₹	Last date for claim
2007-08	14.08.2008	1507111.00	13.08.2015
2008-09	28.08.2009	2291180.20	27.08.2016
2009-10	04.08.2010	1019805.00	03.08.2017
2010-11	14.09.2011	3602342.00	13.09.2018
2011-12	14.09.2012	5166889.50	13.09.2019
2012-13	06.08.2013	5297948.00	05.08.2020
2013-14	26.09.2014	2198195.00	25.09.2021

Unclaimed Refund:

Rights Issue Year	Date of Refund Order	Amount as on 31.03.2015 in ₹	Last date for claim
2014-15	02.09.2014	1010650	01.09.2021

Compliance with clause 32 of the Listing Agreement:

Names and addresses of the Stock Exchanges where equity shares of Lakshmi Vilas Bank Limited are listed are as below:

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No.C/1,
G Block, Bandra - Kurla Complex,
Bandra (E), Mumbai - 400 051

The Bombay Stock Exchange Limited
Floor 25, PJ Towers,
Dalal Street,
Mumbai - 400 001.

Bank confirms that the Annual Listing Fees have been paid to the National Stock Exchange & Bombay Stock Exchange.


Compliance with Clause 47 (f) of the Listing Agreement:

SEBI has advised the listed companies to designate an exclusive email ID for Redressal of Investor Complaints. Pursuant to clause 47(f) of the listing agreement, a separate e-mail id viz., investorsgrievances@lvbank.in is designated exclusively for redressal of investors' complaints.

Contact details of Debenture Trustees of the Bank for Tier-II Bonds (Debentures):

IDBI Trusteeship Services Limited

Regd. Office:

Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001.

Phone: 022-4080700 | Fax: 022-66311776 | E-mail: itsl@idbitrustee.com

Dematerialization:

Bank has 64726 shareholders as on 31.03.2015, being fully paid shares of Rs.10/- each. Of this 44299 folios representing 167863543 (93.69%) shares are in Demat Form.

Bank's ISIN No.: INE694C01018

CIN No.: L65110TN1926PLC001377

Trading Code with Stock Exchanges: LAKSHVILAS

The shares of the Bank are admitted under demat mode with both the depositories of the country i.e., National Securities Depository Limited and Central Depository Services (India) Limited.

Stock Market Data

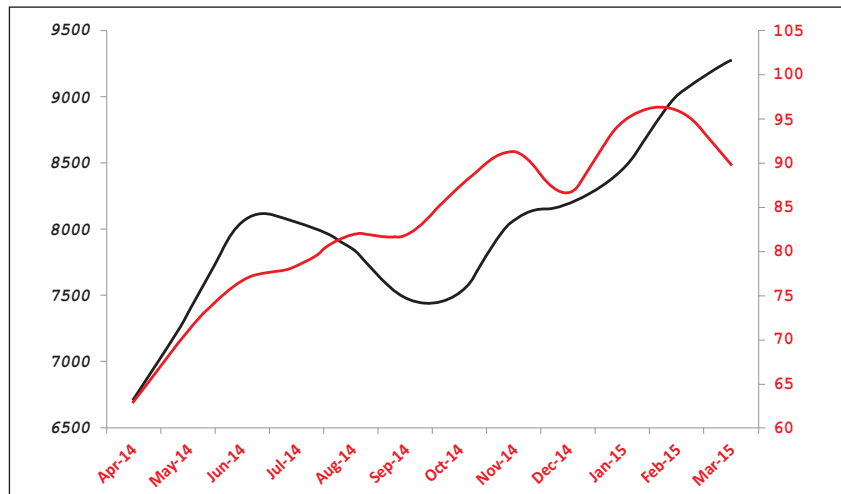
Month	Listed with NSE on 21.06.2000			Listed with BSE on 25.09.2012		
	High	Low	No. of shares Traded	High	Low	No. of shares Traded
April - 2014	87.30	69.20	5019845	87.50	68.70	896581
May	102.00	83.65	6600468	101.80	83.50	1499218
June	112.00	96.50	11194933	111.45	96.75	3815420
July	113.90	79.75	11243863	113.95	79.85	2788917
August	84.00	79.00	9364744	84.00	79.50	2416210
September	81.00	60.95	14531169	80.40	69.35	3570970
October	79.30	73.60	8481726	79.30	73.60	1730283
November	90.70	75.10	29906799	90.70	75.30	5571518
December	86.35	77.85	17660132	86.50	77.00	6745912
January - 2015	94.45	82.35	29103848	94.55	82.40	7768129
February	104.25	89.00	28548194	104.20	89.30	7263526
March	102.90	93.80	22354976	102.90	93.95	8517778



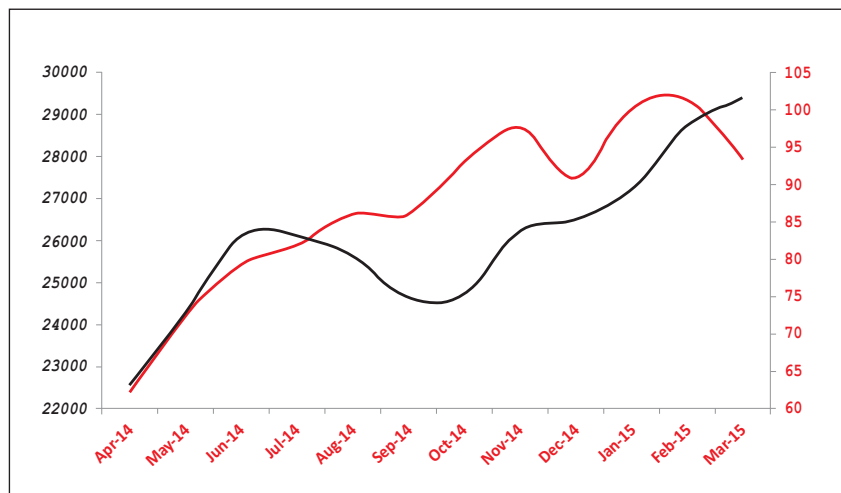
Distribution of Shareholding in break up as on 31.03.2015 is given below.

CATEGORY	NUMBERS	%	SHARES	% TO CAPITAL
Upto 500	45443	70.21	6574867	3.67
501 - 1000	7293	11.27	5513210	3.08
1001 - 2000	5308	8.20	7809795	4.36
2001 - 3000	2059	3.18	5025844	2.81
3001 - 4000	1227	1.90	4297133	2.40
4001 - 5000	725	1.12	3285343	1.83
5001 - 10000	1483	2.29	10505580	5.86
10001 & Above	1188	1.84	136154837	75.99
TOTAL	64726	100.00	179166609	100.00

Performance of the Equity Shares relative to NSE Nifty Index during the year 2014-15



Performance of the Equity Shares relative to BSE Index during the year 2014-15




Nomination Facility:

Shareholders may avail of the Nomination Facility as prescribed under Section 72 of the Companies Act, 2013.

Bank Account Details:

In order to avoid fraudulent encashment of dividend warrants, the members holding shares in physical form are requested to provide their Bank Account details to the Office of our Registrar and Share Transfer Agent.

Book closure and Dividend payment:

The Register of Members and the Share Transfer Books of the Bank were closed from 19.06.2015 to 23.06.2015 (both days inclusive) to determine the dividend entitlement. The Dividend, on approval by shareholders shall be paid, within the prescribed period, to those members holding physical shares whose names stand on the Register of Members of the Bank as at 23.06.2015 and in case of dematerialized shareholding, to those beneficial owners whose name stand on the records of the Depositories as at the close of working hours on 18.06.2015.

Shares held in Electronic form:

All instructions regarding bank account details, which the shareholders wish to be incorporated in their dividend warrant will have to be submitted to their depository participants. Instructions already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form and the Bank or STA will not entertain any request for deletion / change of Bank details already printed on dividend warrants as per information received from both the depositories.

All instructions regarding change of address, nomination, power of attorney etc., shall be given directly to their Depository participants and the bank or STA will not entertain any such requests directly. Shareholders having the holdings partly in demat form and partly in physical form, should follow the steps narrated above separately.

Share Transfer Process:

Bank ensures that all requests pertaining to physical shares are processed by the Registrar and Share Transfer Agent - M/s. Integrated Enterprises (India) Limited and approved by Stakeholders Relationship Committee / Board and the certificates are dispatched to the transferees within a maximum period of 15 days from the date of receipt of the transfer documents by M/s. Integrated Enterprises (India) Limited, provided if the share documents are valid in all respects. Share transfers, dividend payments, demat requests and all other investor related activities are attended to and processed at the office of our Registrar and Share Transfer Agent.

Shareholders' Correspondence should be addressed to:

M/s. Integrated Enterprises (India) Limited
 II floor, "Kences Towers" No.1 Ramakrishna Street
 North Usman Road, T.Nagar, Chennai - 600 017
 Ph: 044-28140801/2/3 Fax: 28142479/28143378
 Email: corpserv@integratedindia.in

DECLARATION BY MD & CEO:

The Board of Directors and the Senior Management Personnel of the Bank have affirmed confirming to the Code of Conduct of the Bank for the year ended 31.03.2015.

Rakesh Sharma
Managing Director & CEO



Annexure-E

ANNUAL REPORT ON CSR ACTIVITIES

In India, the concept of CSR is governed by clause 135 of the Companies Act, 2013, which was passed by both Houses of the Parliament, and had received the assent of the President of India on 29 August 2013. The Ministry of Corporate Affairs has notified Section 135 and Schedule VII of the Companies Act 2013 as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 to come into effect from April 1, 2014. The Act defines CSR as activities that promote poverty reduction, education, health, environmental sustainability, gender equality, and vocational skills development.

Vision & Mission:

Through the CSR projects, our bank intends to contribute in its own small way to the social and economic upliftment of needy individuals / areas, mostly in the places in which it operates.

Scope:

CSR policy will apply to all projects / programs undertaken as part of the Bank's Corporate Social Responsibility activities. It will be developed, reviewed and updated by reference to relevant codes of Corporate Governance and International standards (or) best practices while keeping it always in line with the CSR Rules (Sec. 135 of Companies Act 2013).

Preferred CSR intervention areas:

The CSR intervention areas will be as prescribed under Section 135 of the Companies Act as amended from time to time with the preferred scope being as below:

- a) Promoting Education.
- b) Promoting Rural Sports.
- c) Setting up Old age homes.
- d) Catering to needs of needy and downtrodden section of society.
- e) Participation in "Swachh Bharat Abhiyan" of Government of India.
- f) Focus on the developmental needs of Girl Children.
- g) Meeting infrastructural requirements of needy Government / Semi-Government educational institutions.
- h) Any other area approved by CSR committee.

CSR committee:

We have a board committee (CSR committee) that provides oversight of CSR policy execution that the CSR objectives of the Company are met. Our CSR committee comprises:

- Shri. S.G.Prabhakaran, Chairperson
- Shri. Rakesh Sharma, MD & CEO, Member
- Smt. E. V. Sumithasri, Member

Visit <http://www.lvbank.com/Policies.aspx> for more details related to our CSR policy.

Financial details:

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribe that every company having a net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more or a net profit of ₹ 5 crore or more during any financial year shall ensure that the company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The financial details as sought by the Companies Act, 2013 are as follows:

- Average Net profit of the Bank for last three financial years is ₹ 10140.07 Lacs.
- Prescribed CSR expenditure (2% of Average Net profit) is ₹ 202.80 Lacs.
- Total amount to be spent for the financial year is ₹ 202.80 Lacs.
- Amount unspent is ₹ 190.50 Lacs.



CSR activities undertaken by your Bank are as under:

(Amount in Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project (or) activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken.	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Sub-heads (1)Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Bharat Vikas Parishad Charitable Trust	Education	V.V Puram, Bengaluru, Karnataka	1.92	1.92	1.92	Direct
2	Karnataka Arya Vysya Charitable Trust	Education	V.V Puram, Bengaluru, Karnataka	10.00	10.00	10.00	Direct
3	The United Orphanage for the Disabled	Destitute care	Kurumbapalayam, Coimbatore, Tamilnadu	0.38	0.38	0.38	Direct
Amount Spent (Rs.)						12.30	

Your Bank has done all the preliminary work like drafting a CSR policy, including overview of projects (or) programmes to be undertaken, Constitution of a CSR Committee of the Board, identification of priority areas etc. so that amount can be spent on CSR activities as per statutory requirements.

Because of the time taken in finalizing the above, the entire amount could not be spent during the year. However we are now well poised to spend the balance amount pertaining to FY 2014-15 during the Current FY.

Our CSR responsibilities:

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

Chennai
June 24, 2015

Rakesh Sharma
MD & CEO

S.G. Prabhakaran
Chairperson, CSR Committee



Annexure - F

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i) CIN	:	L65110TN1926PLC001377
(ii) Registration Date	:	03/11/1926
(iii) Name of the Company	:	LAKSHMI VILAS BANK LIMITED
(iv) Category / Sub-Category of the Company	:	COMPANY LIMITED BY SHARES / INDIAN NON GOVERNMENT COMPANY
(v) Address of the Registered office and contact details	:	SALEM ROAD, KATHAPARAI, KARUR - 639006 TAMIL NADU Tel: 04324- 220051 Email : secretarial@lvbank.in Website : www.lvbank.in
(vi) Whether listed company	:	YES (BSE & NSE)
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	INTEGRATED ENTERPRISES (INDIA) LIMITED II Floor, 'Kences Towers' No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600017 Tel: +91 44 28140801 Fax: +91 44 28142479 Email: corpserv@integratedindia.in Website: www.intergratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	BANKING	65191	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
Not Applicable					



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding:

CAT_CODE	CATEGORY OF SHAREHOLDERS	NO OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO OF SHARES HELD AT THE END OF THE YEAR				
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	% CHANGE DURING THE YEAR
A	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
(1)	Indian									
a.	Individual/Hindu Undivided Family	2494956	0	2494956	2.56	4909189	0	4909189	2.74	0
b.	Central Government	0	0	0	0	0	0	0	0	0
c.	State Government	0	0	0	0	0	0	0	0	0
d.	Bodies Corporate	7047897	0	7047897	7.22	12201552	0	12201552	6.81	0
e.	Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
f.	Any other(specify)	0	0	0	0	0	0	0	0	0
	SUB TOTAL A(1)	9542853	0	9542853	9.78	17110741	0	17110741	9.55	-0.23
(2)	Foreign									
a.	Individual(Non resident/foreign)	0	0	0	0	0	0	0	0	0
b.	Bodies corporate	0	0	0	0	0	0	0	0	0
c.	Institutions	0	0	0	0	0	0	0	0	0
d.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
e.	Any other(specify)	0	0	0	0	0	0	0	0	0
	SUB TOTAL A(2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of promoter and Promoter Group(A)=A(1)+A(2)	9542853	0	9542853	9.78	17110741	0	17110741	9.55	-0.23
B	Public Shareholding									
(1)	Institutions									
a.	Mutual funds/UTI	1714	0	1714	0	389476	0	389476	0.22	0.22
b.	Financial Institutions/Banks	10834509	2250	10836759	11.11	8882798	2250	8885048	4.96	-6.15
c.	Central Government	0	0	0	0	0	0	0	0	0
d.	State Government(s)	0	0	0	0	0	0	0	0	0
e.	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f.	Insurance Companies	488550	0	488550	0.50	400178	0	400178	0.22	-0.28
g.	Foreign Institutional Investors	11202428	10850	11213278	11.49	21158801	10850	21169651	11.82	0.33
h.	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
i.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
j.	Any other(specify)	0	0	0	0	676806	0	676806	0.38	0.38
	SUB TOTAL B(1)	22527201	13100	22540301	23.10	31508059	13100	31521159	17.59	-5.51
(2)	Non-Institutions									
a.	Bodies Corporate(Indian/Foreign/Overseas)	12585676	19267	12604943	12.92	47222220	19267	47241487	26.37	13.45
b.	Individuals(Resident/NRI/Foreign National)	0	0	0	0	0	0	0	0	0
(i)	Individual shareholders holding Nominal share Capital upto Rs.1 Lakh	24804908	8257252	33062160	33.89	31853322	9940428	41793750	23.33	-10.56
(ii)	Individual shareholders holding Nominal share Capital above Rs.1 Lakh	18283834	713025	18996859	19.47	37998252	1330271	39328523	21.95	2.48
c.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
d.	Any other(specify)	813574	0	813574	0.83	2170949	0	2170949	1.21	0.38
	SUB TOTAL B(2)	56487992	8989544	65477536	67.11	119244743	11289966	130534709	72.86	5.75
	Total Public Share Holding (B)=B(1)+B(2)	79015193	9002644	88017837	90.22	150752802	11303066	162055868	90.45	0.23
	TOTAL (A)+(B)									
C	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	88558046	9002644	97560690	100.00	167863543	11303066	179166609	100.00	



(ii) Shareholding of promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	K R PRADEEP	1890157	1.94	0.00	4165285	2.32	0.00	0.39
2	ANURADHA PRADEEP	3391	0.00	0.00	6216	0.00	0.00	0.00
3	PRANAVA ELECTRONICS PRIVATE LIMITED	1861344	1.91	0.00	3412464	1.90	0.00	0.00
4	KARE ELECTRONICS AND DEVELOPMENT PRIVATE LIMITED	687038	0.70	0.00	1259569	0.70	0.00	0.00
5	S G PRABHAKHARAN	2002	0.00	0.00	4004	0.00	0.00	0.00
6	USHA R PRABAKARAN	115256	0.12	0.00	115256	0.06	0.00	-0.05
7	G P PRAJNESH	7100	0.01	0.00	14200	0.01	0.00	0.00
8	G SUDHAKARA GUPTA	1062	0.00	0.00	2000	0.00	0.00	0.00
9	SASIKALADHEVI M R	685	0.00	0.00	1492	0.00	0.00	0.00
10	ARISTON CAPITAL ASSET HOLDINGS PRIVATE LIMITED	1847559	1.89	1.66	1847559	1.03	1.03	-0.86
11	TANGERINE CAPITAL ASSET HOLDINGS LLP	0	0.00	0.00	2685678	1.50	1.50	1.50
12	XS REAL PROPERTIES PRIVATE LIMITED	7004	0.01	0.00	14008	0.01	0.00	0.00
13	M P SHYAM	193976	0.20	0.20	135622	0.08	0.00	-0.12
14	M S SHARMILA	49020	0.05	0.05	69870	0.04	0.00	-0.01
15	M S NIVEDITA	0	0.00	0.00	10000	0.01	0.00	0.01
16	M.P.VIKRAM SETTY	22474	0.02	0.00	1202	0.00	0.00	-0.02
17	M K PANDURANGA SETTY	1130	0.00	0.00	2071	0.00	0.00	0.00
18	P VASANTHA	16954	0.02	0.00	17082	0.01	0.00	-0.01
19	CAUVERY MOTORS PRIVATE LIMITED	1214489	1.24	1.24	1009759	0.56	0.56	-0.68
20	ADVAITH MOTORS PRIVATE LIMITED	1430463	1.47	1.46	1972515	1.10	0.69	-0.37
21	N MALAYALARAMAMIRTHAM	42088	0.04	0.03	81628	0.05	0.02	0.00
22	M GEETHA	10425	0.01	0.00	19142	0.01	0.00	0.00
23	M SHALINI	897	0.00	0.00	11925	0.01	0.00	0.01
24	M BALASUBRAMANIAN	3000	0.00	0.00	6531	0.00	0.00	0.00
25	N SAIPRASAD	76157	0.08	0.02	153281	0.09	0.01	0.00
26	N SUSILA	11965	0.01	0.00	11965	0.01	0.00	0.00
27	N SIVAKUMAR	26985	0.03	0.01	56985	0.03	0.01	0.00
28	N DWARAKANATHAN	4717	0.00	0.00	4717	0.00	0.00	0.00
29	V N JAYAPRAKASH	15515	0.02	0.01	18715	0.01	0.01	-0.01
	Total	9542853	9.78	4.68	17110741	9.55	3.83	-0.23



(iii) Change in Promoters' Shareholding :

Sl. No.	NAME	Shareholding at the beginning of the year		Increase / Decrease	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	Shares	No of Shares	% of total shares of the Company
1	K R PRADEEP PAN :AALPP7910M					
	Opening Balance as on 01/04/2014	1890157	1.94			
Add:	05/09/2014 Allotment through Rights issue			1575128	3465285	
Add:	12/12/2014 Market Purchase			700000	4165285	
	Closing Balance as on 31/03/2015				4165285	2.32
2	PRANAVA ELECTRONICS PRIVATE LIMITED PAN :AADCP2196C					
	Opening Balance as on 01/04/2014	1861344	1.91			
Add:	05/09/2014 Allotment through Rights issue			1551120	3412464	
	Closing Balance as on 31/03/2015				3412464	1.90
3	ARISTON CAPITAL ASSET HOLDINGS PRIVATE LIMITED PAN :AAGCA8511M					
	Opening Balance as on 01/04/2014	1847559	1.89			
	Closing Balance as on 31/03/2015 (No change)				1847559	1.03
4	ADVAITH MOTORS PRIVATE LIMITED PAN :AADCA2399A					
	Opening Balance as on 01/04/2014	1430463	1.47			
Add:	05/09/2014 Allotment through Rights Issue			1192052	2622515	
Less:	12/12/2014 Market Sale			-650000	1972515	
	Closing Balance as on 31/03/2015				1972515	1.10
5	CAUVERY MOTORS PRIVATE LIMITED PAN :AAACC5924A					
	Opening Balance as on 01/04/2014	1214489	1.24			
Less:	30/06/2014 Market Sale			-160000	1054489	
Add:	05/09/2014 Allotment through Rights issue			875270	1929759	
Less:	12/09/2014 Market Sale			-40000	1889759	
Less:	12/12/2014 Market Sale			-880000	1009759	
	Closing Balance as on 31/03/2015				1009759	0.56
6	KARE ELECTRONICS AND DEVELOPMENT PRIVATE LIMITED PAN :AABCK7679R					
	Opening Balance as on 01/04/2014	687038	0.70			
Add:	05/09/2014 Allotment through Rights issue			572531	1259569	
	Closing Balance as on 31/03/2015				1259569	0.70
7	M P SHYAM PAN :AFAPS4343H					
	Opening Balance as on 01/04/2014	193976	0.20			
Add:	05/09/2014 Allotment through Rights issue			161646	355622	
Less:	17/10/2014 Market Sale			-20000	335622	
Less:	12/12/2014 Market Sale			-200000	135622	
	Closing Balance as on 31/03/2015				135622	0.08
8	USHA R PRABAKARAN PAN :AAPU1920B					
	Opening Balance as on 01/04/2014	115256	0.12			
	Closing Balance as on 31/03/2015				115256	0.06
9	N SAI PRASAD PAN :ABBPS6585L					
	Opening Balance as on 01/04/2014	76157	0.08			
Add:	05/09/2014 Allotment through Rights issue			82504	158661	
Add:	19/09/2014 Market purchase			750	159411	



Sl. No.	NAME		Shareholding at the beginning of the year		Increase / Decrease	Cumulative Shareholding during the year	
			No of Shares	% of total shares of the Company	Shares	No of Shares	% of total shares of the Company
	Less: 30/09/2014	Market sale			-700	158711	
	Less: 10/10/2014	Market sale			-1000	157711	
	Less: 17/10/2014	Market sale			-655	157056	
	Less: 24/10/2014	Market sale			-1000	156056	
	Less: 31/10/2014	Market sale			-2000	154056	
	Less: 07/11/2014	Market sale			-525	153531	
	Less: 31/12/2014	Market sale			-250	153281	
	Closing Balance as on 31/03/2015					153281	0.09
10	M S SHARMILA						
	PAN :AKWPS8613D						
	Opening Balance as on 01/04/2014		49020	0.05			
	Add: 05/09/2014	Allotment through Rights issue			40850	89870	
	Less: 12/12/2014	Market sale			-20000	69870	
	Closing Balance as on 31/03/2015					69870	0.04
11	N MALAYALARAMAMIRTHAM						
	PAN :AKHPM6607N						
	Opening Balance as on 01/04/2014		42088	0.04			
	Add: 05/09/2014	Allotment through Rights issue			49540	91628	
	Less: 19/09/2014	Market Sale			-5000	86628	
	Less: 30/09/2014	Market Sale			-5000	81628	
	Closing Balance as on 31/03/2015					81628	0.05
12	N SIVAKUMAR						
	PAN :ABBPS6599J						
	Opening Balance as on 01/04/2014		26985	0.03			
	Add: 05/09/2014	Allotment through Rights issue			30000	56985	
	Closing Balance as on 31/03/2015					56985	0.03
13	M.P.VIKRAM SETTY						
	PAN :ADIPV3751G						
	Opening Balance as on 01/04/2014		22474	0.02			
	Add: 05/09/2014	Allotment through Rights issue			18728	41202	
	Less: 27/03/2015	Market Sale			-40000	1202	
	Closing Balance as on 31/03/2015					1202	0.00
14	P VASANTHA						
	PAN :AASPV4548E						
	Opening Balance as on 01/04/2014		16954	0.02			
	Add: 05/09/2014	Allotment through Rights issue			14128	31082	
	Less: 20/02/2015	Market Sale			-14000	17082	
	Closing Balance as on 31/03/2015					17082	0.01
15	V N JAYAPRAKASH						
	PAN :AAHPJ6354P						
	Opening Balance as on 01/04/2014		15515	0.02			
	Add: 05/09/2014	Allotment through Rights issue			16800	32315	
	Less: 12/09/2014	Market Sale			-8100	24215	
	Less: 19/09/2014	Market Sale			-3000	21215	
	Less: 30/09/2014	Market Sale			-2500	18715	
	Closing Balance as on 31/03/2015					18715	0.01
16	N SUSILA						
	PAN :ALJPS1369J						
	Opening Balance as on 01/04/2014		11965	0.01			
	Closing Balance as on 31/03/2015 (No change)					11965	0.01
17	M GEETHA						



Sl. No.	NAME	Shareholding at the beginning of the year		Increase / Decrease	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	Shares	No of Shares	% of total shares of the Company
	PAN :AHWPG9290M					
	Opening Balance as on 01/04/2014	10425	0.01			
Add:	05/09/2014 Allotment through Rights issue			18834	29259	
Less:	12/09/2014 Market Sale			-4589	24670	
Add:	19/09/2014 Market Purchase			276	24946	
Less:	30/09/2014 Market Sale			-5804	19142	
	Closing Balance as on 31/03/2015				19142	0.01
18	G P PRAJNESH					
	PAN :AWGPP5083N					
	Opening Balance as on 01/04/2014	7100	0.00			
Add:	05/09/2014 Allotment through Rights issue			7100	14200	
	Closing Balance as on 31/03/2015				14200	0.01
19	XS REAL PROPERTIES PRIVATE LIMITED					
	PAN :AAACX0030G					
	Opening Balance as on 01/04/2014	7004	0.00			
Add:	05/09/2014 Allotment through Rights issue			7004	14008	
	Closing Balance as on 31/03/2015				14008	0.01
20	N DWARAKANATHAN					
	PAN :AHLPD1263C					
	Opening Balance as on 01/04/2014	4717	0.00			
	Closing Balance as on 31/03/2015 (No change)				4717	0.00
21	ANURADHA PRADEEP					
	PAN :AALPP7909A					
	Opening Balance as on 01/04/2014	3391	0.00			
Add:	05/09/2014 Allotment through Rights issue			2825	6216	
	Closing Balance as on 31/03/2015				6216	0.00
22	M BALASUBRAMANIAN					
	PAN :AGQPB1246H					
	Opening Balance as on 01/04/2014	3000	0.00			
Add:	05/09/2014 Allotment through Rights issue			3531	6531	
	Closing Balance as on 31/03/2015				6531	0.00
23	S G PRABHAKHARAN					
	PAN :AAHPP4774F					
	Opening Balance as on 01/04/2014	2002	0.00			
Add:	05/09/2014 Allotment through Rights issue			2002	4004	
	Closing Balance as on 31/03/2015				4004	0.00
24	M K PANDURANGA SETTY					
	PAN :ACIPP7049J					
	Opening Balance as on 01/04/2014	1130	0.00			
Add:	05/09/2014 Allotment through Rights Issue			941	2071	
	Closing Balance as on 31/03/2015				2071	0.00
25	G SUDHAKARA GUPTA					
	PAN :AAEPG3217F					
	Opening Balance as on 01/04/2014	1062	0.00			
Add:	05/09/2014 Allotment through Rights issue			938	2000	
	Closing Balance as on 31/03/2015				2000	0.00
26	M SHALINI					
	PAN :BHDPS7018D					
	Opening Balance as on 01/04/2014	897	0.00			
Add:	05/09/2014 Allotment through Rights issue			11028	11925	
	Closing Balance as on 31/03/2015				11925	0.01



Sl. No.	NAME	Shareholding at the beginning of the year		Increase / Decrease Shares	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company		No of Shares	% of total shares of the Company
27	SASIKALADHEVI M R PAN :ASXPS1973K					
	Opening Balance as on 01/04/2014	685	0.00			
Add:	05/09/2014 Allotment through Rights issue			807	1492	
	Closing Balance as on 31/03/2015				1492	0.00
28	TANGERINE CAPITAL ASSET HOLDINGS LLP PAN: AAHFT8682L					
	Opening Balance as on 01/04/2014	0	0			
Add:	02/09/2014 Allotment through Rights issue			1635678	1635678	
Add:	9/12/2014 Market Purchase			400000	2035679	
Add:	10/12/2014 Market Purchase			650000	2685678	
	Closing Balance as on 31/03/2015				2685678	1.50
29	M S NIVEDITA PAN : AHMPN4589N					
	Opening Balance as on 01/04/2014	0	0.00			
Add:	17/10/2014 Off-Market			10000	10000	
	Closing Balance as on 31/03/2015				10000	0.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	NAME	Shareholding at the beginning of the year		Increase / Decrease No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	%
1	THE KARUR VYSYA BANK LTD PAN :AAACT3373J					
	Opening Balance as on 01/04/2014	3988720	4.09			
Less	13/06/2014 Market Sale			-55040	3933680	
Less	30/06/2014 Market Sale			-133680	3800000	
Less	04/07/2014 Market Sale			-275000	3525000	
Less	11/07/2014 Market Sale			-71942	3453058	
Less	18/07/2014 Market Sale			-153058	3300000	
Less	25/07/2014 Market Sale			-400000	2900000	
Add	05/09/2014 Allotment through Rights Issue			2416666	5316666	
Less	07/11/2014 Market Sale			-5000	5311666	
Less	14/11/2014 Market Sale			-1300000	4011666	
Less	21/11/2014 Market Sale			-1111666	2900000	
Less	09/01/2015 Market Sale			-100000	2800000	
Less	16/01/2015 Market Sale			-50000	2750000	
Less	23/01/2015 Market Sale			-75000	2675000	
Less	06/02/2015 Market Sale			-175000	2500000	
Less	20/02/2015 Market Sale			-360000	2140000	
Less	27/02/2015 Market Sale			-60000	2080000	
	Closing Balance as on 31/03/2015				2080000	1.16
2	M N Dastur And Co Pvt Ltd PAN :AABCM2136M					
	Opening Balance as on 01/04/2014	3696804	3.78			
Add	25/04/2014 Market purchase			80000	3776804	
Add	02/05/2014 Market purchase			285000	4061804	



Sl. No.	NAME		Shareholding at the beginning of the year		Increase / Decrease	Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	No. of Shares	%
Add	09/05/2014	Market purchase			60000	4121804	
Add	16/05/2014	Market purchase			50100	4171904	
Add	20/06/2014	Market purchase			100000	4271904	
Less	25/07/2014	Market Sale			-100000	4171904	
Add	08/08/2014	Market purchase			100000	4271904	
Add	05/09/2014	Allotment through Rights Issue			3476587	7748491	
Less	24/10/2014	Market Sale			-30000	7718491	
Less	31/10/2014	Market Sale			-7370	7711121	
Less	07/11/2014	Market Sale			-300000	7411121	
Less	12/12/2014	Market Sale			-25905	7385216	
Less	19/12/2014	Market Sale			-277500	7107716	
Less	31/12/2014	Market Sale			-375000	6732716	
Less	23/01/2015	Market Sale			-50000	6682716	
Less	30/01/2015	Market Sale			-25000	6657716	
Add	13/03/2015	Market purchase			25000	6682716	
Less	27/03/2015	Market Sale			-5000	6677716	
	Closing Balance as on 31/03/2015					6677716	3.73
3	MORGAN STANLEY MAURITIUS COMPANY LIMITED						
	PAN :AADCM5927G						
	Opening Balance as on 01/04/2014		2891056	2.96			
Add	05/09/2014	Allotment through Rights issue			2409213	5300269	
	Closing Balance as on 31/03/2015					5300269	2.96
4	INDIAN BANK						
	PAN :AAAC11607G						
	Opening Balance as on 01/04/2014		2617000	2.68			
Less	11/04/2014	Market Sale			-100151	2516849	
Less	18/04/2014	Market Sale			-29469	2487380	
Less	25/04/2014	Market Sale			-120871	2366509	
Less	02/05/2014	Market Sale			-238576	2127933	
Less	09/05/2014	Market Sale			-33099	2094834	
Less	16/05/2014	Market Sale			-250000	1844834	
Less	23/05/2014	Market Sale			-80000	1764834	
Add	05/09/2014	Allotment through Rights Issue			1470695	3235529	
Less	12/09/2014	Market Sale			-5251	3230278	
Less	30/09/2014	Market Sale			-9535	3220743	
Less	17/10/2014	Market Sale			-10000	3210743	
Less	24/10/2014	Market Sale			-22000	3188743	
Less	31/10/2014	Market Sale			-10000	3178743	
Less	07/11/2014	Market Sale			-64362	3114381	
Less	14/11/2014	Market Sale			-155000	2959381	
Less	02/01/2015	Market Sale			-5000	2954381	
Less	09/01/2015	Market Sale			-27808	2926573	
Less	06/02/2015	Market Sale			-20000	2906573	
Less	13/02/2015	Market Sale			-5000	2901573	
Less	20/02/2015	Market Sale			-40000	2861573	
Less	27/02/2015	Market Sale			-5000	2856573	
Less	27/03/2015	Market Sale			-10000	2846573	
Less	31/03/2015	Market Sale			-2000	2844573	
	Closing Balance as on 31/03/2015					2844573	1.59



Sl. No.	NAME	Shareholding at the beginning of the year		Increase / Decrease	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	No. of Shares	%
5	ALBULA INVESTMENT FUND LTD PAN :AAHCA3597Q					
	Opening Balance as on 01/04/2014	2580472	2.64			
	Less 30/06/2014 Market Sale			-330472	2250000	
	Less 25/07/2014 Market Sale			-222814	2027186	
	Add 05/09/2014 Allotment through Rights Issue			2000000	4027186	
	Less 13/03/2015 Market Sale			-40000	3987186	
	Less 20/03/2015 Market Sale			-100000	3887186	
	Less 27/03/2015 Market Sale			-100000	3787186	
	Less 31/03/2015 Market Sale			-40000	3747186	
	Closing Balance as on 31/03/2015				3747186	2.09
6	LIFE INSURANCE CORPORATION OF INDIA PAN :AAACL0582H					
	Opening Balance as on 01/04/2014	2073054	2.13			
	Add 05/09/2014 Allotment through Rights Issue			1727545	3800599	
	Less 21/11/2014 Market Sale			-150000	3650599	
	Less 28/11/2014 Market Sale			-600565	3050034	
	Less 05/12/2014 Market Sale			-749435	2300599	
	Less 16/01/2015 Market Sale			-236925	2063674	
	Less 23/01/2015 Market Sale			-300000	1763674	
	Less 30/01/2015 Market Sale			-150000	1613674	
	Less 06/02/2015 Market Sale			-813075	800599	
	Closing Balance as on 31/03/2015				800599	0.45
7	KEDAR SHIVANAND MANKEKAR PAN :AFMPM4965K					
	Opening Balance as on 01/04/2014	2050000	2.10			
	Add 05/09/2014 Allotment through Rights Issue			1730000	3780000	
	Closing Balance as on 31/03/2015				3780000	2.11
8	THE FEDERAL BANK LTD PAN :AABCT0020H					
	Opening Balance as on 01/04/2014	2024034	2.07			
	Less 30/06/2014 Market Sale			-34034	1990000	
	Less 04/07/2014 Market Sale			-10000	1980000	
	Less 25/07/2014 Market Sale			-30000	1950000	
	Add 05/09/2014 Allotment through Rights Issue			1625000	3575000	
	Less 12/09/2014 Market Sale			-100000	3475000	
	Less 19/09/2014 Market Sale			-286451	3188549	
	Less 30/09/2014 Market Sale			-250100	2938449	
	Less 07/11/2014 Market Sale			-153449	2785000	
	Less 14/11/2014 Market Sale			-210000	2575000	
	Closing Balance as on 31/03/2015				2575000	1.44
9	NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JUPITER INDIA FUND PAN :AABTT4862E					
	Opening Balance as on 01/04/2014	1600000	1.56			
	Add 05/09/2014 Allotment through Rights Issue			1333333	2933333	
	Closing Balance as on 31/03/2015				2933333	1.64
10	GKFF VENTURES PAN :AAFCA9520K					
	Opening Balance as on 01/04/2014	1572122	1.61			



Sl. No.	NAME	Shareholding at the beginning of the year		Increase / Decrease	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	No. of Shares	%
Less	06/06/2014			-590000	982122	
Less	13/06/2014			-590000	392122	
Less	18/07/2014			-224721	167401	
Less	25/07/2014			-122178	45223	
Add	05/09/2014			43582	88805	
Less	14/11/2014			-40000	48805	
Less	02/01/2015			-30000	18805	
Less	09/01/2015			-18805	0	
	Closing Balance as on 31/03/2015				0	0.00
11	MARIANNAN AROKIA SWAMY					
	PAN :AAEPC4399Q					
	Opening Balance as on 01/04/2014	1315546	1.35			
Less	18/07/2014			-30000	1285546	
Add	05/09/2014			1339110	2624656	
	Closing Balance as on 31/03/2015				2624656	1.47

(v) Shareholding of Directors and Key Managerial Personnel:

Sl.No.	NAME	Shareholding at the beginning of the year		Increase / Decrease	Cumulative Shareholding during the year	
		Shares	%	Shares	Shares	%
1	K R PRADEEP					
	PAN :AALPP7910M					
	Opening Balance as on 01/04/2014	1890157	1.94			
Add	05/09/2014			1575128	3465285	
Add	12/12/2014			700000	4165285	
	Closing Balance as on 31/03/2015				4165285	2.33
2	S DATTATHREYAN					
	PAN :ACGPD9201L					
	Opening Balance as on 01/04/2014	94860	0.10			
Add	05/09/2014			83622	178482	
Less	12/09/2014			-500	177982	
Less	19/09/2014			-37200	140782	
Less	31/10/2014			-500	140282	
Less	21/11/2014			-2000	138282	
Less	12/12/2014			-5100	133182	
Less	20/03/2015			-963	132219	
	Closing Balance as on 31/03/2015				132219	0.07
3	B K MANJUNATH					
	PAN :ADHPM4029R					
	Opening Balance as on 01/04/2014	61130	0.06			
Add	05/09/2014			113500	174630	
Less	06/03/2015			-25000	149630	
	Closing Balance as on 31/03/2015				149630	0.08
4	N MALAYALARAMAMIRTHAM					
	PAN :AKHPM6607N					
	Opening Balance as on 01/04/2014	42088	0.04			
Add	05/09/2014			49540	91628	
Less	19/09/2014			-5000	86628	
Less	30/09/2014			-5000	81628	
	Closing Balance as on 31/03/2015				81628	0.05



Sl.No.	NAME	Shareholding at the beginning of the year		Increase / Decrease Shares	Cumulative Shareholding during the year	
		Shares	%		Shares	%
5	DODDY LAKSHMINARAYANA RAO PAN :AAIPL9135B Opening Balance as on 01/04/2014	5188	0.00			
Add	05/09/2014 Allotment through Rights issue			3999	9187	
	Closing Balance as on 31/03/2015				9187	0.00
6	S G PRABHAKHARAN PAN :AAHPP4774F Opening Balance as on 01/04/2014	2002	0.00			
Add	05/09/2014 Allotment through Rights issue			2002	4004	
	Closing Balance as on 31/03/2015				4004	0.00
7	RAKESH SHARMA PAN :ADAPS7794J Opening Balance as on 01/04/2014	300	0.00			
Add	05/09/2014 Allotment through rights issue			353	653	
Add	31/10/2014 Market Purchase			447	1100	
	Closing Balance as on 31/03/2015				1100	0.00
8	RAM PRIYA SHARAN PAN :AISPS3483R Opening Balance as on 01/04/2014	160	0.00			
Add	05/09/2014 Allotment through Rights issue			190	350	
	Closing Balance as on 31/03/2015				350	0.00
9	A SATISH KUMAR PAN :AADPA4415A Opening Balance as on 01/04/2014	100	0.00			
Add	05/09/2014 Allotment through Rights issue			83	183	
	Closing Balance as on 31/03/2015				183	0.00
10	SHANKAR.P.A. PAN :AHQPS4259J Opening Balance as on 01/04/2014	100	0.00			
Add	05/09/2014 Allotment through Rights issue			118	218	
	Closing Balance as on 31/03/2015				218	0.00
11	PANKAJ VAISH PAN: AABPV3825F Opening Balance as on 01/04/2014	0	0			
Add	09/10/2014 Market Purchase			100	100	
	Closing Balance as on 31/03/2015				100	0.00
12	PRAKASH P MALLYA PAN: AANPM7346Q Opening Balance as on 01/04/2014	0	0			
Add	21/10/2014 Market Purchase			100	100	
	Closing Balance as on 31/03/2015				100	0.00
13	M. PALANIAPPAN PAN: AAIPP2176L Opening Balance as on 01/04/2014	6600	0.00			
Add:	05/09/2014 Allotment through Rights Issue			7769	14369	0.00
	Closing Balance as on 31/03/2015				14369	0.00

**V. INDEBTEDNESS:**

Since deposits accepted and borrowings taken are in ordinary course of banking business, the disclosure is not applicable to the Bank.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Mr. Rakesh Sharma, MD & CEO	Total Amount in ₹
1	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4800000.00	4800000.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	2074653.47	2074653.47
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option *	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	1157169.67	1157169.67
	Total (A)	8031823.14	8031823.14

* During the year, Mr. Rakesh Sharma, MD & CEO was granted 5,00,000 Options under LVB – ESOS 2010 Scheme on 14.05.2014 after obtaining prior approval of RBI.

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Director	Total Amount (in Rs.)	
1.	Independent Directors			
	• Fee for attending Board/Committee Meetings	D.L.N. Rao	8,00,000	
		B.K. Manjunath	8,20,000	
		S. Dattathreyan	6,80,000	
		R. Sharan	1,40,000	
		A. Satish Kumar	3,00,000	
		PA. Shankar	7,00,000	
		Pankaj Vaish	4,00,000	
		Prakash Mallya	7,00,000	
		E V Sumithasri	40,000	
		• Commission		NIL
		• Others, please specify		NIL
	Total (1)		45,80,000	
2.	Other Non-Executive Directors			
	• Fee for attending Board/Committee Meetings	Raghuraj Gujjar	4,60,000	
		K. R Pradeep	13,20,000	
		S.G. Prabhakaran	8,40,000	
		N. Malayalamamirtham	6,00,000	
		• Commission		NIL
		• Others, please specify		NIL
		Total (2)		32,20,000
	Total =(1+2)		78,00,000	
	Total Managerial Remuneration (A+B)		1,46,74,653.47	
	Overall Ceiling as per the Act	Lakshmi Vilas Bank Limited is a banking company regulated by the Reserve Bank of India and as such relevant provisions of the Companies Act, 2013 are not applicable.		



C. Remuneration to other Directors /key managerial personnel other than MD/MANAGER/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3927996.00	1314970.20	5242966.20
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	69168.00	-	69168.00
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	2011555.79	592458.50	2604014.29
	Total (A)	6008719.79	1907428.70	7916148.49

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					



Annexure-G

Information required under Sub Rule (2) of Rule 5 of Companies (Appointment and Remuneration of managerial personnel) Rules, 2014:

Sl. No.	Designation of Employee	Remuneration received	Nature of Employment whether contractual or otherwise	Qualifications and experience of employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the Bank	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	Month/Gross
Employees who were employed part of the financial year and was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month:										
1	Padmanabhan Premkumar	24,16,024.99	Regular	MSC, MBA (Finance Mgmt.)	02-06-2014	52	Vice President, Punj Lloyd,	Nil	No	Feb 2015/ 679550.00
2	Akkidas Jacob Vidya Sagar	33,55,700.00	Regular	M.Sc (Botany), CAIIB	01-07-2014	57	DGM, State Bank of India	Nil	No	Nov 2014/ 817300.00
Employees who were employed throughout the financial year and was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees:										
3	Palaniappan M	60,08,719.79	Regular	B.Com, CA	25-02-2010	60	DGM, Canara Bank	14369	No	Remuneration received in FY 2015 - 6008719.79



Disclosures pursuant to the provisions of Section 197 (12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are appended below:

Sl. No.	Particulars	Disclosure			
1.	The ratio of remuneration of each director to the median employees remuneration of the Company for the financial year (FY).	MD&CEO 11.5:1 ¹			
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive officer, Company Secretary in the FY.	Mr. Rakesh Sharma, MD&CEO – NA Mr. M Palaniappan, CFO – 6.70% Mr. N Ramanathan, CS – 11.59%			
3.	The percentage increase in the median remuneration of employees in the financial year.	10.3%			
4.	The number of permanent employees on the rolls of the Bank.	3459			
5.	The explanation on the relationship between average increase in remuneration and Bank's performance.	The Bank's PAT has grown from ₹ 59.66 Crs for FY -14 to ₹ 132.29 Crs for FY – 15, an increase of 121.74% against which the average increase in remuneration compares well and this increase is aligned with the policy of the Bank.			
6.	Comparison of the remuneration of Key Managerial Personnel against the performance of the Bank.	For the FY KMP's were paid approx. 1.21% of the Net Profit of the Bank.			
7.	Variations in the market capitalization of the Bank, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Bank in comparison to the rate at which the Bank came out with the last public offer.	Refer Table No.1			
8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof.	The average percentage increase made in the salaries of total employees excluding Managerial Personnel for the FY 2014-15 is around 12.37% and the average percentage increased in the remuneration of the Managerial Personnel is around 6.10%.			
9.	Comparison of each remuneration of the KMP's (individually) against the performance of the Bank	Name & Designation	Remuneration	PAT (₹ in Crores)	% in PAT
		Shri. Rakesh Sharma, MD & CEO	8031823.14	132.29	0.61%
		Shri. M Palaniappan, CFO	6008719.79		0.45%
		Shri. N Ramanathan, Company Secretary	1907428.70		0.14%
10.	The Key parameters for any variable component of remuneration availed by Directors.	NA			
11.	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	No employee was paid any remuneration in excess of the highest paid director during the year.			
12.	Affirmation that the remuneration is as per the Remuneration Policy of the Bank.	The remuneration paid is as per the Remuneration Policy of the Bank.			

Note:

¹ Sitting fees paid to Non-Executive Directors at ₹ 20,000/- per meeting has not been considered. Apart from the MD&CEO, there are no other Executive/Whole Time Directors in the Bank.



Table No.1
(Ref: Sl. No. 7 above)

Date	Issued Capital (₹)	Paid-up Capital (₹)	Closing Market price per shares (₹)	EPS	PE Ratio	Market Capitalisation (₹ in Crores)
31.03.2014	983725640	975606900	71.15	6.11	11.64	694.14
31.03.2015	1806749860	1791666090	101.60	9.16	11.09	1820.33
Increase / (Decrease)	823024220	816059190	30.45	3.05	-0.55	1126.19
% of Increase / (Decrease)	83.66%	83.65%	42.80	49.92	-4.75	162.24
Issue Price of the share at the last Public Offer (Rights)	..	..	50.00	..	..	..
Increase in market price as on 31.03.2015 as compared to Issue Price of Rights	..	..	51.60	..	..	..
Increase in %	..	..	103.20	..	..	..



Annexure - H

Statement as at March 31, 2015, pursuant to (Disclosure in the Directors' Report) of the SEBI (Share Based Employee Benefits) Regulations, 2014.

A. Summary of Status of ESOPs Granted:

The position of the existing schemes is summarized as under -

Sl. No.	Particulars	ESOS 2010
1	Details of the Meeting	Authorised by the shareholders of the company in the Annual General Meeting dated 4th August 2010
2	Approved*	50,00,000 shares
3	The Pricing Formula	Discount of 50% to the closing market price on the day preceeding the date of grant
4	Options Granted	18,85,238
5	Options Vested and Exercisable	45,000
6	Options Exercised	3,65,000
7	Options Cancelled	9,75,238
8	Options Lapsed	0
9	Total Number of Options in force	5,45,000
10	Variation in terms of ESOP	Not applicable
11	Total number of shares arising as a result of exercise of options	3,65,000
12	Money realised by exercise of options (₹ In Lakhs)	223.56

B. Employee-wise details of options granted during the financial year 2014-15 to:

(i)	Senior managerial personnel	Mr. Rakesh Sharma
(ii)	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	Mr. Rakesh Sharma
(iii)	Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	NIL

C. Weighted average Fair Value of Options granted during the year whose:

(a)	Exercise price equals market price	N.A.
(b)	Exercise price is greater than market price	N.A.
(c)	Exercise price is less than market price	50.52

**Weighted average Exercise price of options granted during the year whose**

(a)	Exercise price equals market price	N.A.
(b)	Exercise price is greater than market price	N.A.
(c)	Exercise price is less than market price (₹)	50.00

D. The stock-based compensation cost calculated as per the intrinsic value method for the financial year 2014-15 is ₹ 12897341. If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2014-15 would be ₹ 16,788,316. The effect of adopting the fair value method on the net income and earnings per share is presented below:

Pro Forma Adjusted Net Income and Earning Per Share		
Particulars		₹
Net Income as reported		1,322,858,836
Add: Intrinsic Value Compensation Cost		12,897,341.00
Less: Fair Value Compensation Cost		16,788,315.52
Adjusted Pro Forma Net Income		1,318,967,861.48
Earning Per Share: Basic		
As Reported		9.16
Adjusted Pro Forma		9.13
Earning Per Share: Diluted		
As Reported		9.15
Adjusted Pro Forma		9.12

Note: As per the management, the right issue should not be considered in disclosures. Hence that is not considered while computation of compensation cost.

E. Method and Assumptions used to estimate the fair value of options granted during the year:

Stock Price (Rs.)	87.75
Volatility	35.46%
Riskfree Rate	8.73%
Exercise Price (Rs.)	50
Time To Maturity (In Years)	4.00 years
Dividend yield	1.14%



Annexure - I

Form No. MR-3

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31st March 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members
Lakshmi Vilas Bank Limited
Karur

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Lakshmi Vilas Bank Limited** (hereinafter called the Bank). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the Bank has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share based Employee Benefits) Regulations 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client, which does not apply to the company;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, which is not applicable as no delisting was during the year; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, which is not applicable to the company as no buyback was during the year;
- (vi) The following laws applicable to the banking companies:
 - a) Bankers' Books Evidence Act 1891;
 - b) Reserve Bank of India Act 1934;
 - c) Banking Regulation Act 1948;
 - d) Banking Companies Rules 1949;



- e) Reserve Bank of India (Amendment and Misc. Provisions) Act 1953;
- f) Banking companies (Period of preservation of Records) rules 1985;
- g) Foreign Exchange Management Act 1999 and Rules and Regulations made there under;
- h) Securitization and Reconstruction of Financial Assets and Enforcement of security Interest (SARFAESI) Act 2002;
- i) Prevention of Money Laundering Act (PMLA) 2002;
- j) Prevention of Money Laundering (Maintenance of Records etc) Rules 2005;
- k) Banking Ombudsman Scheme 2006;

I/we have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (No standard prescribed during the year).
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange and BSE Ltd.

During the period under review the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I/we further report that The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act / RBI directives.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I/we further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

I/we further report that during the audit period the Bank has issued 81,260,919 equity shares on rights basis to augment capital base as required under the regulations.

Place: Coimbatore
Date : 22.06.2015

K. MUTHUSAMY
Practicing Company Secretary
M No: F 5865; CP: 3176


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LIST OF OVERSEAS CORRESPONDENTS / AGENCY BANKS

USA & Canada:

- 1 HSBC Bank, New York, USA
- 2 Standard Chartered Bank, New York, USA
3. Toronto Dominion Bank, Toronto, Canada.
4. Royal Bank of Canada, Toronto, Canada.
5. Wachovia Bank NA.

Europe:

- 6 HSBC Bank PLC, London.
- 7 Standard Chartered Bank, Frankfurt, Germany.
- 8 Commerz Bank AG, Germany.
- 9 Deutsche Bank, Germany.
- 10 Intesa Sanpaolo Spa, Milan, Italy.
- 11 Zurcher Kantonalbank, Zurich, Switzerland.
- 12 Fortis Bank, Brussels.
- 13 Danske Bank, Copenhagen, Denmark.
- 14 Svenska Handelsbanken, Stockholm, Sweden.

Asia Pacific:

- 15 HSBC Bank, Hongkong, Singapore, Colombo, Kuala Lumpur and Sydney.
- 16 Standard Chartered Bank, Tokyo, Japan.
- 17 National Australia Bank, Melbourne, Australia.
- 18 Korea Exchange Bank, Beijing & Seoul.
- 19 Woori Bank, Dhaka.

Middle East Region

- 20 HSBC Bank Middle East, UAE.
- 21 Habib Bank, AG, Dubai.
- 22 Doha Bank, Qatar.
- 23 Standard Chartered Bank, Dubai.
- 24 Mashreq Bank PSc. Dubai



BRANCH OFFICES

ANDHRA PRADESH

- 1 Adoni
- 2 Amalapuram
- 3 Anakapalle
- 4 Ananthapur
- 5 Ananthavarappadu
- 6 Angalakuduru
- 7 Bhimavaram
- 8 C.Kothapeta
- 9 Chittoor
- 10 Doddavaram
- 11 Dommaranandyala
- 12 Eluru
- 13 Gajuwaka - Hyderabad
- 14 Gopalpatnam
- 15 Governorpet - Vijayawada
- 16 Guntur
- 17 Kadapa
- 18 Kadium
- 19 Kakinada
- 20 Krishnapatnam
- 21 Kurnool
- 22 Lakshmiapuram - Guntur (II)
- 23 Lam
- 24 Mangalagiri
- 25 Nandiyal
- 26 Narasaraopet
- 27 Nellore
- 28 Ongole
- 29 Ponnur
- 30 Prodattur
- 31 Rajamundri
- 32 Tadepalli
- 33 Tanuku
- 34 Thimmapuram
- 35 Tirupathi
- 36 Vijayawada
- 37 Vijayawada (Ring Road)
- 38 Vinukonda
- 39 Vishakapatnam-town
- 40 Vizianagaram

CHATTISGARH

- 41 Dhamtari
- 42 Mahasamund
- 43 Raipur

GUJARAT

- 44 Ahmedabad
- 45 Anand
- 46 Gandhidham
- 47 Gandhinagar

- 48 Jamnagar
- 49 Navsari
- 50 Rajkot
- 51 Surat I
- 52 Surat II
- 53 Vadodara

HARYANA

- 54 Faridabad
- 55 Gurgaon
- 56 Karnal
- 57 Panipat

JHARKHAND

- 58 Jamshedpur
- 59 Ranchi

KARNATAKA

- 60 Ballari
- 61 Banashankari - Bengaluru
- 62 Bangarpet
- 63 Basavanagudi - Bengaluru
- 64 Belagavi
- 65 Bengaluru-main
- 66 Bommanahalli - Bengaluru
- 67 BTM Layout- Bengaluru
- 68 Cantonment- Bengaluru
- 69 Chitradurga
- 70 City market - Bengaluru
- 71 Davangere
- 72 Devanahalli- Bengaluru
- 73 Gadag
- 74 Hassan
- 75 Hosapete
- 76 HSR Layout - Bengaluru
- 77 Hubballi
- 78 Jalahalli - Bengaluru
- 79 Jayanagar - Bengaluru
- 80 Kengeri - Bengaluru
- 81 Kollegal
- 82 Koramangala - Bengaluru
- 83 Malleshwaram - Bengaluru
- 84 Mandya
- 85 Mangaluru
- 86 Mysuru
- 87 Puttur
- 88 Raichur
- 89 Ranebennur
- 90 RT Nagar - Bengaluru
- 91 Shivamogga
- 92 Sirsi
- 93 Thippasandra- Bengaluru

- 94 Tumakuru
- 95 Ulsoor-Bengaluru
- 96 Visveshwarapuram - Bengaluru
- 97 Yadgir

KERALA

- 98 Alappuzha
- 99 Calicut
- 100 Ernakulam(Cochin)
- 101 Guruvayoor
- 102 Kottayam
- 103 Palakkad
- 104 Tiruvananthapuram
- 105 Thrissur
- 106 Vavvakavu

MADHYA PRADESH

- 107 Ashta
- 108 Bhopal
- 109 Indore
- 110 Jabalpur

MAHARASHTRA

- 111 Andheri - Mumbai
- 112 Borivili- Mumbai
- 113 Chembur - Mumbai
- 114 Fort- Mumbai
- 115 Ghatkopar- Mumbai
- 116 Kalyan- Mumbai
- 117 Kharghar- Mumbai
- 118 Malad(west)- Mumbai
- 119 Matunga- Mumbai
- 120 Nagpur
- 121 Nasik
- 122 Pune
- 123 Thane
- 124 Vasai
- 125 Vashi- Mumbai

NEW DELHI

- 126 Janpath - New Delhi
- 127 Kalkaji - New Delhi
- 128 Karolbagh- New Delhi
- 129 Krishnanagar-New Delhi
- 130 Mahavir Nagar - New Delhi
- 131 Rohini - New Delhi

ODISHA

- 132 Bhubaneswar
- 133 Cuttack

**PUDUCHERRY**

- 134 Ambagarathur
135 Karaikal
136 Puducherry

RAJASTHAN

- 137 Bhilwara
138 Jaipur

TAMILNADU

- 139 Adyar - Chennai
140 Alathur
141 Ambattur - Chennai
142 Ambilikkai
143 Ambur
144 Anbil
145 Anna Nagar - Chennai
146 Anna Nagar- Madurai
147 Annur
148 Arakandanallur
149 Arantangi
150 Arasappapillaipatti
151 Ariyalur
152 Arni
153 Attur
154 Avalpoondurai
155 Ayothiapatnam
156 Balasamudram
157 Bargur
158 Batlagundu
159 Bhuvanagiri
160 Bye Pass Road, Madurai (II)
161 C.K.Street - Salem
162 C.Pudupatti
163 Cathedral road - Chennai
164 Chengalpattu
165 Chennai- main
166 Chinna Salem
167 Chinnadharapuram
168 Chinthlavadi
169 Chittode
170 Chrompet - Chennai
171 Coimbatore -main
172 Cuddalore
173 Cumbam
174 Dharapuram
175 Dharmapuri
176 Dindigul
177 Eachanari
178 Erode
179 Ganapathy - Coimbatore
180 Gandhigramam
181 Gandhipuram -Coimbatore
182 GN Street - Chennai

- 183 Gobichettipalayam
184 Gopalpatti
185 Guduvancheri - Chennai
186 Gugai - Salem
187 Hosur
188 Idayakottai
189 Iyyampalayam
190 Jalakandapuram
191 Jegadabi
192 K K Nagar - Chennai
193 Kachirapalayam
194 Kadambuliyur
195 Kalangani
196 Kallakurichi
197 Kallalangudy
198 Kambarasampettai
199 Kancheepuram
200 Kandili
201 Kangayam
202 Kanjampatti
203 Kanmai Soorangudi
204 Karaikudi
205 Karanodai
206 Karur-Main
207 Karur-west
208 Kathaparai - Karur
209 Kattugudalur
210 Kattuputhur
211 Kaveripattinam
212 KK Pudur - Coimbatore
213 Kodambakkam -Chennai
214 Kolappakam
215 Kondalampatti
216 Kondamanaickenpatty
217 Kondikulam
218 Kottivakkam
219 Koundampalayam
220 Kovaipudur-Coimbatore
221 Kovilpatti
222 Krishnagiri
223 Kulithalai
224 Kumbakonam
225 Kuniyur
226 Kurumbapatti
227 Lakkapuram
228 Lalgudi
229 M.N.Palayam
230 M.Puthur
231 Madukkur north
232 Madurai Main
233 Mahadhanapuram
234 Manamedu
235 Mangarai
236 Mannargudi

- 237 Marandahalli
238 Markampatti
239 Mathur
240 Mayiladuthurai
241 Mecheri
242 Melur
243 Mettupalayam
244 Mettur dam
245 Michealpatti
246 Mogappair
247 Moolangudi
248 Moulivakkam
249 Mount road - Chennai
250 Mudhugampatti
251 Muthugapatti
252 Muthupet
253 Muthur
254 Mylapore - Chennai
255 Nagapattinam
256 Nagercoil
257 Naicker New Street - Madurai
258 Namakkal
259 Nathakadaiyur
260 Nathamedu
261 Nerinjipettai
262 Neyveli
263 Nidur
264 Nungambakkam - Chennai
265 Oddanchatram
266 Olapalayam
267 Othakadai
268 P.Ayeepalayam
269 Palacode
270 Palani
271 Palayamkottai
272 Pallipalayam
273 Panruti
274 Papanad
275 Papanasam
276 Pattukottai
277 Pennagaram
278 Perambalur
279 Perambur - Chennai
280 Peravurani
281 Periyakulam
282 Perungalathur
283 Podakudy
284 Pollachi
285 Pudukottai
286 Pugalur
287 Puliakulam- Coimbatore
288 Purasawalkam - Chennai
289 R. Pudupatti
290 Rajapalayam



291 Rajendram	330 Thiruvallur- Chennai	369 Virudhunagar
292 Ramanathapuram - Coimbatore	331 Thiruvarur	370 Vridachalam
293 Ramapuram - Chennai	332 Thiruvaidakazhi	371 West Tamabaram - Chennai
294 Rasipuram	333 Thittagudi	372 Yethapur
295 Rayakotta	334 Thokkavadi	
296 Royapuram - Chennai	335 Thottiyam	
297 RS Puram - Coimbatore	336 Tindivanam	
298 Saidapet - Chennai	337 Tiruchengode	
299 Salem Town	338 Tirukadaiyur	
300 Sankarapuram	339 Tirukoilur	
301 Sankari	340 Tirunelveli Town	
302 Sathyamangalam	341 Tirupur	
303 Sattur	342 Tiruthuraiipoondi	
304 Seevalaperi	343 Tiruvannamalai	
305 Selaiyur- Chennai	344 Trichy main	
306 Sendarapatti	345 Triplicane - Chennai	
307 Shevapet - Salem	346 Turaiyur	
308 Siddhapudur	347 Tuticorin	
309 Sikkal	348 Udayamarthandapuram	
310 Sindalapatti	349 Udumalpet	
311 Sirumayangudi	350 Ulipuram	
312 Sivakasi	351 Unjalur	
313 Sriperumbudur - Chennai	352 Uppilipalayam	
314 Srirangam -Trichy	353 Uranganpatti	
315 Srivilliputhur	354 Uttamarkoil	
316 Sundarapandiyam	355 Vadavalli - Coimbatore	
317 Swarnapuri - Salem	356 Vadugapalayam	
318 T.Nagar - Chennai	357 Valasaravakkam	
319 Tanjore	358 Velacherry - Chennai	
320 Tenkasi	359 Vellakoil	
321 Thallakulam - Madurai	360 Velliyani	
322 Thayanur	361 Vellore (NA)	
323 Theni	362 Velur (Namakkal)	
324 Thillainagar - Trichy	363 Vengaivasal- Chennai	
325 Thimmanandal	364 Vengamedu - Karur	
326 Thindal (Erode)	365 Venkatakrishnapuram	
327 Thirukkatupalli	366 Vettavalam	
328 Thirumangalam	367 Vilangudi	
329 Thiruvaiyaru	368 Villupuram	
		TELANGANA
		373 Adilabad
		374 Ameerpet - Hyderabad
		375 Asifabad
		376 Banjara Hills
		377 Habsiguda - Hyderabad
		378 Hanumakonda
		379 Hyderabad Main
		380 Karim Nagar
		381 Khammam
		382 Kompally
		383 Kothapeta - Hyderabad
		384 Kukatpally - Hyderabad
		385 Madhapur- Hyderabad
		386 Malkajgiri - Hyderabad
		387 Mehdiapatnam - Hyderabad
		388 Miryalguda
		389 Peruvancha
		390 Punjagutta- Hyderabad
		391 Ramachandrapuram
		392 Secunderabad - Hyderabad
		393 Suryapet
		394 Warangal
		395 West Maredpally
		UTTAR PRADESH
		396 Ghaziabad
		397 Noida
		WEST BENGAL
		398 Garia
		399 Kolkata
		400 Kolkata - New Alipur



A DECADE OF PROGRESS

(Amount given in Lacs)

Year	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Paid-up Capital	1953.46	4780.51	4877.22	4877.62	9750.87	9752.58	9752.58	9754.07	9756.07	17916.67
Reserve & Surplus	27151.90	34828.36	36890.54	40493.97	64148.86	79490.91	86083.93	91680.38	95603.85	137697.60
Deposits	433638.00	501987.23	561848.82	736090.00	907537.77	1114951.07	1411414.00	1561897.79	1857288.21	2196421.22
Advances	295281.97	361270.30	385878.75	524583.00	627749.52	809442.28	1018867.97	1170279.56	1288918.96	1635201.90
Investments	127986.68	130930.24	169367.77	186306.00	298322.23	351885.03	439511.80	432454.68	568867.76	610378.23
Net Profit	2247.02	1758.43	2526.91	5030.00	3066.80	10113.68	10702.22	9157.45	5965.55	13228.59
Number of Branches	227	236	239	251	271	274	290	291	361	400
Staff Position	1873	1926	2078	2433	2655	2626	3054	3149	3292	3459
Earning Per Share (₹)	11.50	3.60	5.18	10.31	4.95	10.37	10.97	9.39	6.11	9.16
Book Value (₹)	149.00	81.18	85.63	93.02	75.79	83.23	90.14	92.88	100.16	82.48
Market Price (₹)	105.16	77.70	97.95	63.50	79.21	98.00	85.05	81.35	71.15	101.60
Dividend Per Share (₹)	2.50	0.70	1.50	2.50	0.60	2.50	3.50	3.00	1.00	2.00



LAKSHMI VILAS BANK

Welcome
to the world of privileges



LVB

CROWN

SERVICES

NURTURE WITH TRUST

SAVE TODAY AND GAIN MORE WITH US

OUR INTEREST RATES ON SAVINGS JUST GOT BETTER



For balance upto ₹5 Lakhs,
5% p.a.
on the entire balance

For balance above ₹5 Lakhs,
6% p.a.
on the entire balance

*Terms and Conditions apply



LAKSHMI VILAS BANK

Registered Office:

Salem Main Road, Kathaparai, Karur - 639 006, Tamilnadu.

Website: www.lvbank.com ; Toll Free No. 1800 - 425 - 2233



THE LAKSHMI VILAS BANK LIMITED

CIN No. L65110TN1926PLC001377

Registered Office: Salem Road, Kathapara, Karur - 639 006.

Corporate Office: "LVB House", No.4, Sardar Patel Road, Guindy, Chennai - 600 032.

Website: www.lvbank.com, Tel No: 044-22205306, Email: secretarial@lvbank.in

REVISED NOTICE TO THE MEMBERS

Notice is hereby given that the 88th Annual General Meeting of the Members of The Lakshmi Vilas Bank Limited will be held at the Registered Office of the Bank, Salem Road, Kathapara, Karur – 639 006 on Thursday, 03.09.2015 at 10:00 AM to transact the business mentioned below.

The Board of Directors of the Bank at their meeting held on July 23, 2015 had approved the AGM Notice and other documents and the same was intimated to the Stock Exchanges and the notice was duly dispatched to the Shareholders on 5th August 2015. Meanwhile, the Board of Directors, on August 08, 2015 has approved an amendment to the Notice and Explanatory Statement by including an Item No. 8 – *Approval for borrowing / raising funds in Indian / Foreign currency by issue of debt securities up to ₹ 500 Crores to eligible investors on private placement basis.*

Accordingly, this revised notice is being issued to the members after including Item No. 8.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited financial statements of the bank for the year ended 31st March 2015 and the Report of the Directors' and the Auditors' thereon.
2. To declare dividend.
3. To appoint a Director in the place of **Shri. S. G. Prabhakaran, (DIN 00005140)** who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint auditors and if thought fit to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the applicable provisions of Banking Regulation Act, 1949, including statutory modifications(s) or re-enactment(s) thereof for the time in force, and rules, circulars, guidelines issued by the Reserve Bank of India as applicable, M/s. R K Kumar & Co, Chartered Accountants, Chennai, Firm Registration No.001595S be and are hereby appointed as Statutory Auditors of the Bank to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting, subject to the approval of the Reserve Bank of India on such remuneration and reimbursement of out-of-pocket expenses, if any, as may be fixed by the Board of Directors on the recommendation of the Audit Committee of the Board."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT the Board of Directors of the Bank be and is hereby authorized to appoint, in consultation with Statutory Auditors, the Branch Auditors who are qualified to act as Auditors, including Statutory Auditors pursuant to the provisions of Section 143(8) and other applicable provisions of the Companies Act, 2013 for the purpose of audit of the Branches of the Bank and to decide the Branch Offices to be audited by such Branch Auditors and to fix their remuneration and reimbursement of out of pocket expenses incurred, if any in connection with the Audit, based on the recommendation of the Audit Committee of the Board."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to the Section 10A (2) (a) of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), **Smt. E. V. Sumithasri, (DIN 07087197)** be and is hereby appointed as an Independent Director of the Bank and shall hold office up to a period of **two years** and the provisions of Sec.152 (6) and (7) in respect of retirement of directors by rotation shall not be applicable to her, since being an independent director."



7. To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 42, 62 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and such other rules as may be issued from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and in accordance with the provisions of Memorandum & Articles of Association of the Bank, the Listing Agreement entered into with the Stock Exchanges (Stock Exchanges), the provisions of Securities and Exchange Board of India (“SEBI”) Act 1999, as amended from time to time, Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, (“SEBI ICDR Regulations”), as amended, Foreign Exchange Management Act (FEMA) 1999, as amended from time to time, and any other statutory guidelines/regulations, if any, prescribed by the SEBI, Reserve Bank of India (RBI), the Stock Exchanges, the Government of India (“GOI”) or any other relevant authority from time to time, to the extent applicable, and subject to such approvals, consents, permissions, and sanctions as may be required and subject to such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as “Board” which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent of the Bank be and is hereby accorded to the Board to create, issue, offer and allot, up to 4,25,00,000 Equity Shares of Rs.10/- each or hybrid instruments / securities resulting in, up to 4,25,00,000 Equity shares of Rs.10/- each (including the provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted) in the course of one or more public or private offerings in domestic and/or international market(s), either in the form of Qualified Institutional Placement (QIPs) to Qualified Institutional Buyers (QIBs) and/ or Equity Shares through Depository Receipts, including in the form of Global Depository Receipts (GDRs) and /or American Depository Receipts (ADRs) to eligible investors (whether residents and/or non-residents and/or strategic investors and/or institutions/banks and/or incorporated bodies and/or individuals and/or trustees and/ or stabilization agents and/or mutual funds and/or venture capital funds, and/or Indian and/ or multi-lateral financial institutions or otherwise, and irrespective of whether or not such investors are members of the Bank, through prospectus and/or letter of offer or circular and /or on public and/or private, such issue and allotment to be made at such time(s) in one or more tranches, at such price or prices, in such manner, on such terms and conditions as the Board, may in its absolute discretion, decide at the time of issue of the aforesaid Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby also authorised to determine the form, terms and timing of the issue(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount in issue/conversion/exercise/redemption, rate of interest, redemption period, listings on one or more stock exchanges in India or abroad as the Board may in its absolute discretion deems fit and to make and accept any modifications in the proposals as may be required by the authorities involved in such issue(s) in India and/or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

RESOLVED FURTHER THAT in case of a qualified institutional placement pursuant to Chapter VIII of the SEBI ICDR Regulations, the allotment of Securities (or any combination of the Securities as decided by the Board) shall only be to Qualified Institutional Buyers within the meaning of Chapter VIII of the ICDR Regulations, such Securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 months from the date of this resolution at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations and the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the ICDR Regulations.

RESOLVED FURTHER THAT in case of QIP issue the relevant date for determination of the floor price of the Equity Shares to be issued shall be -

- I. in case of allotment of equity shares, the date of meeting in which the Board decides to open the proposed issue.
- II. in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices, etc.

RESOLVED FURTHER THAT the Bank and/or any agency or body or persons authorised by the Board, may issue Equity Shares and/or Depository Receipts representing the underlying Equity Shares in the Capital of the Bank or such other Securities in negotiable, registered or bearer form (as may be permissible) with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations (including listing on one or more stock exchanges in and/ or outside India).



RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of Equity Shares and/ or Depository Receipts shall be as per the applicable guidelines of Securities and Exchange Board of India.

RESOLVED FURTHER THAT the Board be and is hereby authorised to create, issue, offer and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred to above and as may be necessary in accordance with the terms of the offer, subject to the provisions of Memorandum and Articles of Association of the Bank or other applicable legal provisions and shall rank *pari passu* inter se with the then existing equity shares of the Bank in all respects including as to dividend.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorized on behalf of the Bank, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in this regard in its absolute discretion and deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Executives of the Bank.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:
“**RESOLVED THAT** pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules made thereunder, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the applicable provisions of the Banking Regulation Act, 1949, as amended, and the rules, circulars and guidelines issued by Reserve Bank of India (“RBI”) from time to time (including any statutory amendment(s) or modification(s) or reenactment(s) thereof for the time being in force) and all other relevant provisions of applicable law(s), the provisions of the Memorandum and Articles of Association of the Bank and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory or regulatory authority(ies), the approval of the Members of the Bank be and is hereby accorded for borrowing/raising funds in Indian/ foreign currency by issue of debt securities including but not limited to non-convertible debentures, bonds (including bonds forming part of Tier I/ Tier II capital in accordance with and subject to the terms and conditions specified in the Basel III Capital Regulations prescribed by RBI, long-term infrastructure bonds or such other bonds as may be permitted by RBI from time to time) upto ₹ 500 Crores (Rupees Five Hundred Crores Only) (collectively the “debt securities”) by the Bank, in one or more tranches and/or series, in domestic and /or overseas market, as per the agreed structure permitted by RBI and other regulatory authorities, to eligible investors on private placement basis during a period of one year from the date of passing of this resolution, within the overall borrowing limits of the Bank, as approved by the Members, from time to time.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as “Board”) of the Bank or any Committee of the Board or such other persons as may be authorized by the Board, be and are hereby authorized to negotiate, modify and finalize the terms and conditions of the debt securities and sign the relevant documents/agreements in connection with the private placement of the debt securities, including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, debenture subscription agreement, debenture trust deed and any other documents as may be required, in connection with the offering(s), issuance(s) and/or allotment(s) on private placement of debt securities by the Bank and to further delegate the above powers to any Committee of Directors or any personnel of the Bank to act on their behalf as they may deem fit and to do all such other acts and things and to execute all such documents as may be necessary for giving effect to this resolution.”

BY ORDER OF THE BOARD
For THE LAKSHMI VILAS BANK LIMITED

Place : Chennai
Date : 08.08.2015

N. RAMANATHAN
Company Secretary
ACS No. 28366

Notes:

1. An Explanatory Statement as required under Section 102 of the Companies Act, 2013, pertaining to the special business contained in Item No. 5 to 8 above is annexed herewith.
2. The Additional information pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges in respect of the Director seeking re-election vide Item No.3 are detailed in the Explanatory Statement. The Director has furnished the requisite declaration for his appointment/re-appointment.
3. All relevant documents referred to in the Notice are open for inspection at the Registered Office of the Bank on all working days between 11.00 a.m. to 01.00 p.m. upto the date of the Annual General Meeting.



4. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIM/HER. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE BANK. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE BANK. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE BANK, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS SENT HEREWITH. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.
5. The Register of Members and the Share Transfer Books of the Bank remained closed from 19.06.2015 to 23.06.2015 (both days inclusive).
6. Dividend, if declared, will be paid to those members holding physical shares whose names stand on the Register of Members of the Bank as on 23.06.2015 and in case of dematerialized shareholders, to those Beneficial owners whose names stand on the records of the Depositories as at the close of working hours on 18.06.2015, subject to the relevant provisions of Companies Act, 2013.
7. In compliance of SEBI direction to all listed companies to maintain all works relating to share registry – both physical and electronic at single point i.e., either in house or by SEBI Registered “Registrar & Transfer Agent (RTA)”, Bank has appointed M/s. Integrated Enterprises (India) Limited, Chennai-600 017 as Share Transfer Agent for both physical and demat segments with effect from 30.01.2003.

Address of Share Transfer Agent:

M/s Integrated Enterprises (India) Limited
II floor, “Kences Towers”, No.1 Ramakrishna Street,
North Usman Road, T.Nagar, Chennai – 600 017
Ph: 044-28140801/2/3 Fax: 28142479/28143378
Email: corpseiv@integratedindia.in

8. Members are requested to notify any change in their address along with the pin code immediately to Share Transfer Agent and in case their shares are held in demat form; this information should be sent to the concerned Depository Participant.
 9. With a view to provide protection against fraudulent encashment of dividend warrants, members holding shares in physical form are requested to provide, if not already provided earlier, their bank account numbers, name and address of the bank and branch, to Share Transfer Agent, M/s. Integrated Enterprises (India) Limited, Chennai-600 017 to incorporate the said details on the dividend warrants. Members will appreciate that the bank will not be responsible for any loss arising out of fraudulent encashment of the dividend warrants.
- 10. Unclaimed Dividends:**
- a) Shareholders and Beneficial owners who have not so far encashed/claimed the dividends for the last 7 years i.e. from 2007-2008 to 2013-2014 have to submit the dividend warrant(s) if any available with them for revalidation to the Registrar & Share Transfer Agent, M/s. Integrated Enterprises (India) Ltd, II Floor, “Kences Towers”, No. 1 Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017. Shareholders who have lost the dividend warrants are advised to execute the indemnity bond and send to the Registrar.
 - b) In terms of Section 125 of the Companies Act, 2013 the dividend which are unclaimed for a period of seven years have to be transferred to “Investor Education and Protection Fund” maintained with Central Government and the Shareholders/ Beneficial Owners cannot make any claim for the dividends once the unclaimed dividend(s) are transferred to such fund. The details of the unclaimed dividend of the shareholders are uploaded in the website of Investor Education and Protection Fund as well as the website of the Bank and the shareholders may verify their details from the said websites.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Bank.
 12. Green Initiatives in Corporate Governance – Shareholders who have not registered their email address so far are requested to register their email address (for demat holders - with their respective DPs and for holders in physical form - with our Registrar & Transfer Agent, M/s. Integrated Enterprises (India) Ltd, Chennai).
 13. Electronic copy of the Annual Report for 2014-2015 is being sent to all the members whose email IDs are registered with the Bank/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-2015 is being sent in the permitted mode.



14. Electronic copy of the Notice of the 88th Annual General Meeting of the Bank *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Bank/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 88th Annual General Meeting of the Bank *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
15. Members may also note that the Notice of the 88th Annual General Meeting and the Annual Report for 2014-2015 will also be available on the Bank's website www.lvbank.com for their download. The physical copies of the aforesaid documents will also be available at the Bank's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Bank's investor email id: Investorsgrievances@lvbank.in
16. **Voting through electronic means:**

In compliance with Section 108 of the Companies Act, 2013 and Clause 35B of the Listing Agreement read with The Companies (Management and Administration) Rules 2014 as amended from time to time, the Bank is pleased to provide members holding shares in physical or dematerialized form, facility to exercise their right to vote at the 88th Annual General Meeting (AGM) by electronic means through 'Remote e-Voting' Services provided by Central Depository Services Limited (CDSL).

The "cut-off date" for the 'Remote e-Voting' is Thursday, 27.08.2015. The instructions for the 'Remote e-Voting' are given at the end of this notice. Consequently, as per the applicable statutory provisions, voting by show of hands will not be available to the shareholders at the 88th Annual General Meeting.
17. **Voting through Postal Ballot:**

The bank is providing the facility of ballot form in terms of Clause 35B of the Listing Agreement, to those shareholders, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice. The Ballot form along with the postage prepaid envelope and the instructions are enclosed along with the Annual Report. The last date for receiving the ballot form will be 02.09.2015 at 5.00 p.m. Ballot forms received after this date shall not be considered.

The Shareholders may opt only for one mode of voting i.e., either by Postal Ballot or through e-voting. In case of shareholders casting their vote by both postal ballot and e-voting, then only the votes cast through e-voting shall prevail and the votes cast through postal ballot shall be treated as invalid.
18. In Compliance with the Companies (Management and Administration) Amendment Rules, 2015, the Bank is pleased to offer the facility for voting through physical ballot at the AGM. The Shareholders, who are eligible to vote as on the "cut-off" date being Thursday, 27.08.2015, but have not exercised their right to vote either through e-voting or through postal ballot shall cast their votes at the AGM through Physical Ballots for all the resolutions set out in the Notice. Shareholders who have exercised their right to vote either through e-voting or through postal ballot may attend the AGM but shall not vote at the AGM.
19. By virtue of clause 31 of the Articles of Association of the bank, no suit or other proceeding by or at the instance of any Member of the Bank relating to any General Meeting of the Bank, whether Annual General Meeting or Extraordinary General Meeting or meetings of Board or Committee of Directors, seeking any direction with reference to such meeting or to restrain any proceedings thereat or the passing of any resolution or the transaction of any business shall be instituted in any Court other than the Courts in Karur which is the place of residence of the Bank for this purpose by reason of location of its Registered Office.
20. The bank's shares are traded in demat form in the stock exchanges. For your own safety and other benefits in demat form, the shareholders holding shares in physical form are requested to dematerialize their shares and get the benefits by holding the shares in demat form.

**Additional information pursuant to Clause 49 of the Listing Agreement with National Stock Exchange Limited, Mumbai & Bombay Stock Exchange Ltd, Mumbai in respect of the Director seeking re-election.****Item No. 3**

Shri. S. G. Prabhakaran, (DIN 00005140), aged about 60 years is one of the promoter directors of the Bank. He is a Non-Independent and Non-Executive Director. He has been associated with the Bank since June 23, 2009. He was also one of the Directors in the Bank's Board from 24.06.1998 to 18.03.2006. He holds a Bachelor's degree in Commerce and Law. He is also an Associate Member of the Institute of Company Secretaries of India.

As on March 31, 2015, Shri. S.G. Prabhakaran was a member of Integrated Risk Management Committee, Management Committee of the Board, Capital Raising Committee of the Bank's Board and he is also the Chairman of Corporate Social Responsibility Committee.

The details of Directorships held by Shri. S.G. Prabhakaran in other Companies as on 31.03.2015 are provided hereunder:

Sl. No.	Name of other Companies in which he is a Director
1.	M/s. XS Real Properties Private Limited
2.	M/s. RoyalSoft Services Limited
3.	M/s. Ariston Capital Asset Holdings Private Limited

As on March 31, 2015, Shri. S.G. Prabhakaran holds 4004 equity shares in the bank.

None of the directors and Key Managerial Personnel other than Shri. S.G. Prabhakaran is concerned or interested in this resolution.

Note on appointment of Statutory Central Auditors:**Item No. 4**

M/s. R.K. Kumar & Co, Chartered Accountants Chennai were appointed as the Statutory Central Auditors by the Members at the Eighty-Seventh Annual General Meeting held on 26.09.2014 to hold office from the conclusion of the 87th Annual General Meeting till conclusion of the 88th Annual General Meeting. In terms of Section 139 of the Companies Act, 2013 the approval is being sought from the Members for the re-appointment of M/s. R.K. Kumar & Co, Chartered Accountants as the Statutory Central Auditors for the financial year 2015-2016.

Accordingly your Bank proposes to appoint M/s. R K Kumar & Co, Chartered Accountants, Chennai, Firm Registration No. 001595S to hold office from the conclusion of this AGM till the conclusion of next AGM as set out in item No.4 of the Notice.

None of the Directors and Key Managerial Personnel is in anyway concerned or interested in this resolution.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013**Item No. 5**

In terms of Section 143(8) of the Companies Act, 2013, the Branch Offices of the Bank have to be audited either by Statutory Auditors or other qualified Auditors. Bank intends to entrust the Audit of Branch Offices either to the Statutory Auditors or to other qualified Auditors in consultation with Statutory Auditors on such remuneration and on such terms and conditions as the Board deems fit based on the recommendations of the Audit Committee of the Board.

None of the Directors of the bank and Key Managerial Personnel of the bank and their relatives are interested in this resolution.

Item No. 6

Smt. E. V. Sumithasri (DIN 07087197) aged about 43 years was first appointed as an Additional Director on 10.03.2015 pursuant to the provisions of Article 17(b) of the Bank, Clause 49 I(A) of the Listing Agreement and Section 149(5) of the Companies Act, 2013 and holds office up to the date of 88th Annual General Meeting.

On approval of the resolution, Smt. E.V. Sumithasri will be serving as an Independent Director of the Bank up to a period of two years.



She holds a Master's of Science Degree from University of Connecticut specializing in Computer Science and Engineering. She also holds a bachelor's degree in Engineering (Computer Science) from University of Visvesvaraya College of Engineering. She is presently occupying the position of Vice President, Global Head of Value Partnerships at SAP. She has around 20 years of experience in areas including business management, management consulting, IT architecture and executive communication. She does not hold any directorship in other companies in India/Abroad as on 31.03.2015.

In the opinion of the Board, Smt. E. V. Sumithasri fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the bank and is independent of the management. Further she also fulfills the provisions Clause 49 I(A) of the Listing Agreement relating to appointment of Women Director in the Board and Section 10A(2a) of the Banking Regulation Act, 1949 by virtue of her specialization in the Majority Sector under Information Technology Category. The Board considers that her continued association would be of immense benefit to the Bank and it is desirable to continue to avail services of Smt. E.V. Sumithasri as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Smt. E.V. Sumithasri as an Independent Director, for the approval by the shareholders of the Bank.

Smt. E.V. Sumithasri is not a Director in any other Company. As on March 31, 2015, Smt. E.V. Sumithasri was the member of Stakeholders Relationship Committee, Infrastructure Development Committee, IT Strategy Committee and Corporate Social Responsibility Committee of the Bank's Board and she does not hold chairpersonship in any Board Committees. As on March 31, 2015, she does not hold any shares in the Bank.

Except Smt. E.V. Sumithasri being an appointee, none of the Directors and Key Managerial Personnel of the bank and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 7

The Bank intends to raise funds for augmenting Tier I capital in line with growth in our Business, its expanding business requirements by issue of securities in the domestic/ international markets. The proposed resolution at Item no. 7 seeks the enabling authorization to the Board of Directors of the Bank, to raise Tier I capital through the issue of Equity Shares in the domestic and/or international markets in one or more tranches, in such form, on such terms, in such manner, at such price and at such time as may be considered appropriate by the Board, to the various categories of investors. In the best interest of the Bank, the above enabling resolution is being proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issues.

As per the provisions of Section 62 of the Companies Act, 2013 and such other provisions as may be applicable, the above proposal requires the approval of the members by way of Special Resolution.

The Board of Directors accordingly recommends the resolution set out at Item No. 7 of the accompanying notice for the approval of members.

The directors or the Key Managerial Personnel or their relatives of the bank may be deemed to be concerned or interested in the resolution to the extent of securities that may be subscribed to by the companies/institutions of which they are directors or members.

Item No. 8

Your Bank has been borrowing funds to meet the capital adequacy norms within the limits approved by you by way of issuance of various debt securities (bonds/ debentures) as permitted by Reserve Bank of India ("RBI") and in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and other applicable laws, from time to time.

In terms of Section 42 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company can make private placement of securities subject to the condition that the proposed offer of securities or invitation to subscribe securities has been previously approved by the Members of the Company, by a special resolution, for each of the offers or invitations / subscriptions. In case of offer or invitation for subscription of non-convertible debentures, it shall be sufficient if the Company passes a special resolution only once in a year for all the offers or invitation for subscription of such debentures during the year.

The Bank has already proposed and included an agenda in the Notice of the Eighty-Eighth Annual General Meeting issued for obtaining the approval of Members for raising capital through QIPs, GDR, ADRs etc. The Bank would further, at appropriate times, raise the funds by way of issue of debt securities, under the above approval of Members over a period of time as approved by the Members. In order to facilitate the raising of funds by way of issue of debt securities, it would be necessary to have the approval of Members without interruption. Therefore, in order to avoid reaching out to the Members by way of Postal Ballot between the AGMs and the costs relating thereto, it would be appropriate to have the Members' approval in this AGM.



Further, considering the attractive features of the revised guidelines issued by RBI on issue of long term bonds / Basel III Tier I / Tier II bonds and the fact that these bonds will also assist the Bank in reducing asset-liability mismatches, the Board of Directors has proposed to obtain the consent of the Members of the Bank for borrowing/ raising funds in Indian / foreign currency by issue of debt securities pursuant to the relevant provisions of the applicable circulars or guidelines issued by RBI, upto ₹ 500 Crores (Rupees Five Hundred Crores Only), in one or more tranches in domestic and /or overseas market, as per the structure permitted by RBI and other regulatory authorities, to eligible investors on private placement basis, on such terms and conditions as the Board of Directors or any Committee(s) thereof or such other persons as may be authorized by the Board, from time to time, determine and consider proper and appropriate for the Bank. The Resolution under Section 42 of Companies Act, 2013 shall be valid for a period of one year from the date of passing of this resolution.

The pricing of the debt securities referred above depends primarily upon the rates prevailing for risk free instruments, rates on other competing instruments of similar rating and tenor in the domestic or overseas markets, investor appetite for such instruments and investor regulations which enable investments in such instruments. Further, debt securities would be issued for cash either at par or premium or at discount to the face value depending upon the prevailing market conditions, as permitted under the Laws.

Accordingly, the approval of Members is being sought by way of special resolution as set out at in Item No. 8 of this Revised Notice dated 08.08.2015.

The directors or the Key Managerial Personnel or their relatives of the bank may be deemed to be concerned or interested in the resolution to the extent of securities that may be subscribed to by the companies/institutions of which they are directors or members.

**BY ORDER OF THE BOARD
For THE LAKSHMI VILAS BANK LIMITED**

Place : Chennai
Date : 08.08.2015

N. RAMANATHAN
Company Secretary
ACS No. 28366



E – Voting

Dear Shareholders,

In terms of Sections 107 and 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Companies (Management and Administration) Amendment Rules 2015, the Bank is providing the e-voting facility to its members holding shares in physical or dematerialized form as on 27.08.2015, to exercise their right to vote by electronic means on any or all of the business specified in the accompanying notice. The Bank has appointed Mr. K. Muthusamy, Practicing Company Secretary (CP No. 3176) as the scrutinizer for conducting the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of e-voting period unblock the votes in the presence of atleast two witnesses not in the employment of the Bank and make a scrutinizer's report of the votes cast in favour or against, if any forthwith to the Chairman. The results shall be declared on or after the AGM of the Bank. The results declared along with the Scrutinizer's Report shall be available on the Bank's website within two (2) days of passing of the resolution at the AGM of the Bank and communicated to the Stock Exchange/s.

The Bank has engaged the services of CDSL as the authorized agency to provide the e-voting facilities.

The instructions for shareholders voting electronically are as under:

- i. The voting period begins on 31.08.2015 at 10.00 AM and ends on 02.09.2015 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 27.08.2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iv. Click on Shareholders.
- v. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric Permanent Account Number (PAN) issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for



resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xiii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

**LAKSHMI VILAS BANK****THE LAKSHMI VILAS BANK LIMITED****CIN No. L65110TN1926PLC001377**

Registered Office: Salem Road, Kathaparai, Karur - 639 006.

Corporate Office: "LVB House", No. 4, Sardar Patel Road, Guindy, Chennai - 600 032.

Website: www.lvbank.com, Tel No.: 044-22205306, Email: secretarial@lvbank.in

POSTAL BALLOT FORM

1	Name of Sole / First Member	
2	Name(s) of Joint Member(s), if any	
3	Registered Folio No. / DPID No. / Client ID No.	
4	No. of Shares held	

I/We hereby exercise our right to vote in respect of the Resolution(s) for the business stated in the AGM Notice dated 23.07.2015 of the Bank by conveying my/our assent or dissent to the said resolution(s) by placing the tick (✓) mark at the appropriate box below:

Item No.	Description	Type of resolution (Ordinary / Special)	No. of Shares	I / We assent to the resolution (FOR)	I / We dissent from the resolution (AGAINST)
1	Adoption of audited financial statements of the bank for the year ended 31 st March 2015 and the Report of the Directors' and the Auditors' thereon.	Ordinary			
2	Declaration of Dividend on equity shares.	Ordinary			
3	Appointment of Director in place of Shri. S. G. Prabhakaran who retires by rotation and being eligible, offers himself for re-appointment	Ordinary			
4	Appointment of Statutory Auditors.	Ordinary			
5	Appointment of Branch Auditors.	Ordinary			
6	Appointment of Smt. E. V. Sumithasri as an Independent Director of the Bank.	Ordinary			
7	Raising of capital through QIP, GDR, ADR etc.	Special			
8.	Approval for borrowing / raising funds in Indian / foreign currency by issue of debt securities upto ₹ 500.00 crores to eligible investors on private placement basis.	Special			

Place :

Date :

(Signature of Member)

Note : Kindly read instruction printed overleaf before filling the form.

Last date for receipt of postal ballot forms by Scrutinizer is Wednesday, the 2nd September, 2015 not later than 5.00 P.M.



POSTAL BALLOT INSTRUCTION

1. In terms of Clause 35B of the Listing Agreement, the Bank shall continue to enable those shareholders, who do not have access to e-voting facility, to send their assent or dissent in writing through postal ballot as per the provisions of the Companies (Management and Administration) Rules, 2014 or amendments made thereto. Accordingly, this Postal Ballot Form is being provided to facilitate e-voting provided under Section 108 of the Companies Act, 2013.
2. A member desiring to exercise his/her vote by Postal Ballot Form should complete this Postal Ballot Form and send the duly signed Form through the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer as per instruction below at the address Mr. K. Muthusamy (Scrutinizer), C/o. M/s Integrated Enterprises (India) Limited, II floor, "Kences Towers" No.1 Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017. Postage will be borne and paid by the Bank. Envelopes containing Postal Ballots, deposited in person or sent by courier at the expense of the Members will also be accepted.
3. The self-addressed envelope bears the name of the Scrutinizer appointed by the Board of the Bank and the address at which the Postal Ballot Form is to be sent.
4. The Postal Ballot form should be completed and signed by the Members. In the case of joint shareholding, this form should be completed and signed by the first named Member and in his absence; by the next named Member. Unsigned Postal Ballot forms will be rejected. The signature on the Postal Ballot Form must tally with the specimen signature registered with the Bank.
5. For the votes to be considered valid, the institutional shareholders (i.e., other than individuals, HUF, NRIs etc.) are required to send certified copy of the relevant authorization/board resolution along with the Postal Ballot Form. A member may sign the Form through an Attorney appointed specifically for this purpose, in which case, an attested true copy of the Power of Attorney should be attached to the Postal Ballot Form.
6. Duly completed Postal Ballot Forms should reach the Scrutinizer not later than 05.00 P.M., on 02.09.2015. Any Postal Ballot Form received after this time and date will be treated as if the reply from the Member has not been received.
7. A member may request for a duplicate Postal Ballot Form, if so required. However the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the time and date specified at SI No. 6 above.
8. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Member on 27.08.2015, which is the cut-off date is fixed for this purpose.
9. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extra paper found in such envelope would be destroyed by the Scrutinizer.
10. There will be one Postal Ballot Form for every folio irrespective of the number of joint member(s).
11. A member need not use all the votes nor does he need to cast all the votes in the same way.
12. The Scrutinizer's decision on the validity of a Postal Ballot will be final and binding.
13. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.
14. The date of AGM will be the deemed date of passing resolution(s) through e-voting/Postal ballot. It may also be noted that, in terms of Section 114 of the Companies Act, 2013, the resolutions contained in the AGM Notice will be deemed to have been passed through the e-voting and ballot. The results shall be declared in terms of Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, as the case may be.
15. The right of e-voting and Postal Ballot Form shall not be exercised by a Proxy.
16. Members may please note that they have to vote through any one of the modes viz., E-voting, Postal Ballot or voting at the AGM Venue. Members who have already voted prior to the meeting date would not be entitled to vote at the AGM venue.



THE LAKSHMI VILAS BANK LIMITED

CIN No. L65110TN1926PLC001377

Registered Office: Salem Road, Kathaparai, Karur - 639 006.

Corporate Office: "LVB House", No. 4, Sardar Patel Road, Guindy, Chennai - 600 032.

Website: www.lvbank.com, Tel No.: 044-22205306, Email: secretarial@lvbank.in

Form No. MGT-11 PROXY FORM

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

CIN	L65110TN1926PLC001377
Name of the Company	The Lakshmi Vilas Bank Ltd
Registered Office	Salem Road, Kathaparai, Karur – 639 006.

Name of the member(s)	
Registered Address	
E-mail ID	
Folio No. / DP ID and Client ID	

I / We, being the member(s) of M/s. Lakshmi Vilas Bank Limited, hereby appoint

1	Name of the member(s)		
	Address		
	E-mail ID		
	Signature		Failing him
2	Name of the member(s)		
	Address		
	E-mail ID		
	Signature		Failing him
3	Name of the member(s)		
	Address		
	E-mail ID		
	Signature		

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 88th Annual General Meeting of the bank, to be held on the 03rd September, 2015 at 10.00 A.M. at the Registered Office, Salem Road, Kathaparai, Karur- 639 006 and at any adjournment thereof in respect of such resolution as indicated below:

Res No.	Resolution
1	Adoption of audited financial statements of the bank for the year ended 31 st March 2015 and the Report of the Directors' and the Auditors' thereon.
2	Declaration of Dividend on equity shares.
3	Appointment of Director in place of Shri. S.G.Prabhakaran who retires by rotation and being eligible, offers himself for re-appointment.
4	Appointment of Statutory Auditors.
5	Appointment of Branch Auditors.
6	Appointment of Smt. E. V. Sumithasri as an Independent Director of the Bank.
7	Raising of capital through QIP, GDR, ADR etc.
8.	Approval for borrowing / raising funds in Indian / foreign currency by issue of debt securities upto ₹ 500.00 crores to eligible investors on private placement basis.

Signed this..... day of 2015.

Signature of Shareholder:

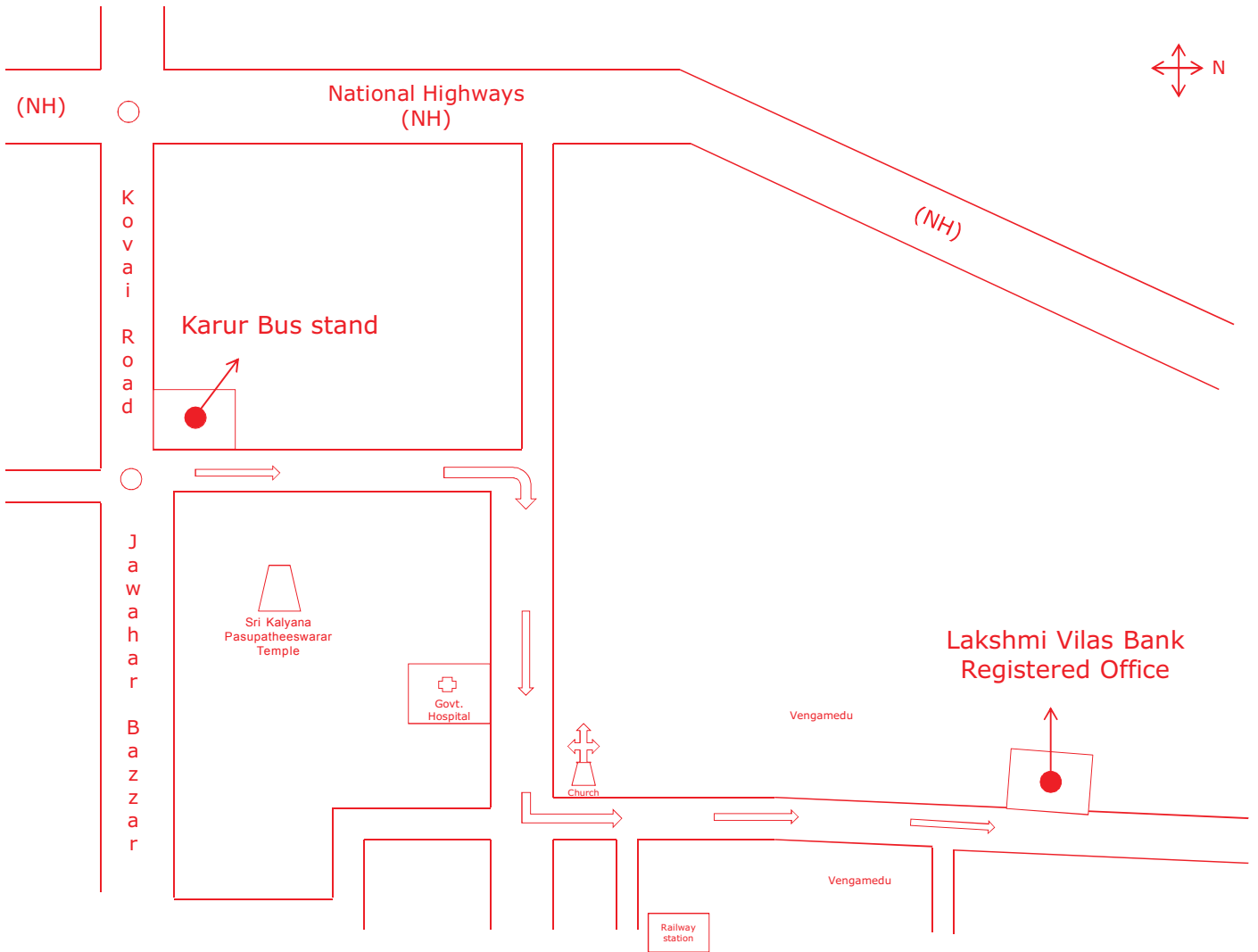
Signature of Proxy holder(s):



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank, not less than 48 hours before the commencement of the meeting.



ROUTE MAP TO THE VENUE OF THE AGM





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