



**Karur Vysya Bank**

*Smart way to bank*

FCD/219/2019-20

24/07/2019

The Secretary,  
National Stock Exchange of India Limited,  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C-1, Block G,  
Bandra-Kurla Complex,  
Bandra East,  
Mumbai - 400 051.

Dear Sirs,

**Reg: Un-audited financial results of the Bank for the quarter ended 30<sup>th</sup> June 2019.**

Pursuant to Regulations 30, 33 and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of the un-audited financial results for the quarter ended 30<sup>th</sup> June 2019. The results were duly approved by the Board of Directors at its meeting held today. A copy of the limited review report of the Statutory Auditors is also enclosed.

Kindly take the same on your records.

Yours faithfully

(P R Seshadri)  
Managing Director & C E O



**THE KARUR VYSYA BANK LIMITED**

Finance & Control Department

Registered & Central Office, No. 20, Erode Road,  
Vadivel Nagar, L.N.S. Karur – 639002. Tamil Nadu

☎ : (04324)269326,269328

Email: fcd@kvbmail.com

Website: www.kvb.co.in

CIN : L65110TN1916PLC001295

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30<sup>th</sup> JUNE 2019**
*(Rs. in lakh)*

Particulars	Quarter ended			Year ended
	30-06-2019	31-03-2019	30-06-2018	31-03-2019
	Unaudited	Audited	Unaudited	Audited
<b>1. Interest earned (a+b+c+d)</b>	<b>149253</b>	<b>147359</b>	<b>144253</b>	<b>581582</b>
a) Interest / discount on advances / bills	117550	116128	113427	459638
b) Income on Investments	28213	28162	28952	115059
c) Interest on balances with Reserve Bank of India & other interbank funds	3246	1508	1505	4290
d) Other Interest	244	1561	369	2595
2. Other Income	26984	27245	25487	96277
<b>3. Total Income (1+2)</b>	<b>176237</b>	<b>174604</b>	<b>169740</b>	<b>677859</b>
4. Interest Expended	90856	85436	85891	345300
5. Operating Expenses (i+ii)	40868	42691	37887	161480
(i) Employees cost	20375	21228	17856	76117
(ii) Other operating expenses	20493	21463	20031	85363
<b>6. Total Expenditure (excluding provisions and contingencies) (4+5)</b>	<b>131724</b>	<b>128127</b>	<b>123778</b>	<b>506780</b>
<b>7. Operating Profit before provisions and contingencies (3-6)</b>	<b>44513</b>	<b>46477</b>	<b>45962</b>	<b>171079</b>
8. Provisions (other than tax) and Contingencies	32997	35234	42267	138855
9. Exceptional items	-	-	-	-
<b>10. Profit from ordinary activities before tax (7-8-9)</b>	<b>11516</b>	<b>11243</b>	<b>3695</b>	<b>32224</b>
11. Tax expense	4224	5241	(896)	11137
12. Net Profit from ordinary activities after tax (10-11)	7292	6002	4591	21087
13. Extraordinary items (net of tax expense)	-	-	-	-
<b>14. Net Profit for the period (12-13)</b>	<b>7292</b>	<b>6002</b>	<b>4591</b>	<b>21087</b>
15. Paid-up equity share capital (FV Rs.2/-per share)	15986	15986	14533	15986
16. Reserves excluding Revaluation Reserve				626294
17. Analytical Ratios				
(i) % of shares held by Government of India	-	-	-	-
(ii) Capital Adequacy Ratio - Basel III	15.99%	16.00%	14.08%	16.00%
(iii) Earnings per share (EPS) <sup>^</sup> (Rs.)				
a) Basic EPS before and after extraordinary items	0.91	0.75	0.57	2.64
b) Diluted EPS before and after extraordinary items	0.91	0.75	0.57	2.64
(iv) NPA Ratios				
a) Gross NPA	451083	444957	356339	444957
b) Net NPA	232177	242034	208832	242034
c) % of Gross NPA	9.17%	8.79%	7.44%	8.79%
d) % of Net NPA	4.94%	4.98%	4.50%	4.98%
(v) Return on Asset (annualised)	0.40%	0.35%	0.27%	0.31%

<sup>^</sup> EPS not annualized for the quarter. EPS for the earlier periods / year has been re-stated after considering the issue of bonus shares during the previous year 2018-19.



*Ratna*


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(Rs. in lakh)

SEGMENT REPORTING FOR THE QUARTER ENDED 30 <sup>th</sup> JUNE 2019				
Business Segments	Quarter ended			Year ended
	30-06-2019	31-03-2019	30-06-2018	31-03-2019
	Unaudited	Audited	Unaudited	Audited
<b>Segment Revenue</b>				
1. Treasury	39103	36667	32477	130725
2. Corporate/Wholesale Banking	38375	40428	43610	165386
3. Retail Banking	98133	96723	93059	379250
4. Other Banking Operations	626	786	594	2498
<b>Total</b>	<b>176237</b>	<b>174604</b>	<b>169740</b>	<b>677859</b>
<b>Segment Results</b>				
1. Treasury	14062	13348	7990	34590
2. Corporate/Wholesale Banking	10294	11632	14086	48484
3. Retail Banking	25944	26981	29109	109855
4. Other Banking Operations	555	694	531	2219
<b>Total</b>	<b>50855</b>	<b>52655</b>	<b>51716</b>	<b>195148</b>
Less: Unallocated Expenses	6342	6178	5754	24069
<b>Operating Profit</b>	<b>44513</b>	<b>46477</b>	<b>45962</b>	<b>171079</b>
Tax expense	4224	5241	(896)	11137
Other Provisions	32997	35234	42267	138855
<b>Net Profit from ordinary activities</b>	<b>7292</b>	<b>6002</b>	<b>4591</b>	<b>21087</b>
Extraordinary items	-	-	-	-
<b>Net Profit</b>	<b>7292</b>	<b>6002</b>	<b>4591</b>	<b>21087</b>
<b>Segment Assets</b>				
1. Treasury	1981001	1560418	1690160	1560418
2. Corporate/Wholesale Banking	1298149	1359870	1443321	1359870
3. Retail Banking	3400072	3498211	3197261	3498211
4. Other Banking Operations	-	-	-	-
5. Unallocated	562281	515512	497571	515512
<b>Total Segment Assets</b>	<b>7241503</b>	<b>6934011</b>	<b>6828313</b>	<b>6934011</b>
<b>Segment Liabilities</b>				
1. Treasury	1909375	1446291	1569419	1446291
2. Corporate/Wholesale Banking	1155811	1226053	1300113	1226053
3. Retail Banking	3026510	3154225	2879436	3154225
4. Other Banking Operations	-	-	-	-
5. Unallocated	500228	465162	448334	465162
<b>Total (a)</b>	<b>6591924</b>	<b>6291731</b>	<b>6197302</b>	<b>6291731</b>
<b>Capital Employed (Segment Assets - Segment Liabilities)</b>				
1. Treasury	71626	114127	120741	114127
2. Corporate/Wholesale Banking	142338	133817	143208	133817
3. Retail Banking	373562	343986	317825	343986
4. Other Banking Operations	-	-	-	-
5. Unallocated	62053	50350	49237	50350
<b>Total (b)</b>	<b>649579</b>	<b>642280</b>	<b>631011</b>	<b>642280</b>
<b>Total Segment Liabilities (a+b)</b>	<b>7241503</b>	<b>6934011</b>	<b>6828313</b>	<b>6934011</b>

For the above segment reporting, the reportable segments are identified into Treasury, Corporate/Wholesale banking, Retail banking and other banking operations in compliance with RBI guidelines. The Bank operates only in India.

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**Notes:**

1. The above financial results for the quarter ended 30<sup>th</sup> June 2019 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at the meeting held on 24<sup>th</sup> July 2019. The same have been subjected to Limited Review by the Statutory Central Auditors of the Bank in line with the guidelines issued by Reserve Bank of India and as per listing agreement with the stock exchange.
2. There has been no change in the accounting policies followed in the preparation of interim financial results during the quarter ended 30<sup>th</sup> June 2019, as compared to those followed in the annual financial statements for the year ended 31<sup>st</sup> March 2019.
3. The bank has made provisions in accordance with Reserve Bank of India guidelines, for loan losses and depreciation on Investments, Standard Advances, Restructured Advances, exposures to entities with Unhedged Foreign Currency Exposure. Provision for employees' retirement benefits viz. pension, gratuity and leave encashment has been made based on actuarial valuation. Provision for Income Tax, Deferred Tax and other contingencies are made on an estimated and proportionate basis and are subject to adjustments, if any, at the year end.
4. The figures for the quarter ended 31<sup>st</sup> March 2019 are the balancing figures between audited figures in respect of financial year 2018-19 and the published year to date figures upto the end of the third quarter of the financial year ended 31<sup>st</sup> March 2019.
5. In respect of three accounts under Red Flag category, the forensic audit process to review the status of the accounts is under progress and remains to be concluded within a period of six months as stipulated by RBI vide Master Direction DBS.CO. CFMC.BC.No.1/23.04.001/2016-17 dated July 01, 2016 (Updated as on July 03, 2017). No significant adverse comments were observed in these accounts during the internal inspection/review carried out by the Bank. Draft forensic audit report has been received in respect of two accounts and discussed by the member banks in consortium. The management is awaiting submission of the final audit reports. These accounts which have balance outstanding of Rs.261.72 crore (net of provisions) are classified as NPA and have also been referred to NCLT under CIRP for recovery / resolution proceedings. In the opinion of management, the provision on these accounts are adequate and no additional provisions are required to be made.
6. Other income includes fees earned from providing services to customers, commission from non-fund based banking activities, earnings from foreign exchange transactions, selling third party products, profit on sale of investments (net), recoveries from advances written off, etc.
7. In accordance with RBI circular DBOD.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015, read together with RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015, Banks are required to make Pillar 3 disclosures under Basel III capital regulations. Accordingly, Pillar 3 disclosures under Basel III capital regulations have been made available on the Bank's website at the following link <https://www.kvb.co.in/about-us/disclosures/disclosures-pillar-III/>. These disclosures have not been subjected to review/audit by the Statutory Central Auditors.
8. Provision Coverage Ratio calculated as per the guidelines of Reserve Bank of India is 59.05 % as on 30<sup>th</sup> June 2019.
9. The financial results for the quarter ended 30th June 2018 were reviewed by the predecessor Statutory Central Auditors.
10. Previous quarter's/year's figures have been re-classified / regrouped wherever considered necessary to conform to the current quarter's classification.

Place: Karur  
Date: 24.07.2019



For and on behalf of Board of Directors

P R Seshadri  
Managing Director & CEO



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## Independent Auditor's Review Report on Unaudited Quarterly Financial Results of the Karur Vysya Bank Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### To the Board of Directors of The Karur Vysya Bank Limited

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of The Karur Vysya Bank Limited ('the Bank') for the quarter ended 30 June 2019 being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time, except for the disclosures relating to Pillar 3 disclosure as at 30 June 2019, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement, and have not been reviewed by us.
2. The Statement, which is the responsibility of the Bank's management and has been approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25, Interim Financial Reporting ('AS 25'), prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time ('the RBI guidelines'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in AS 25 prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the RBI guidelines, the SEBI Circular, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement, or that it has not been prepared in accordance with the relevant prudential norms issued by the RBI in respect of income recognition, asset classification, provisioning and other related matters, except for the disclosures relating to Pillar 3 disclosure as at 30 June 2019, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us, or that it contains any material misstatement.
5. We draw attention to note 5 to the accompanying Statement, which describes that for certain advances the Bank has continued to classify these advances as Red Flagged Accounts as at 30 June 2019 beyond a period of six months, being the time period stipulated for change of status as Red Flagged Account in accordance with the Master Direction DBS.CO. CFMC.BC.No.1/23.04.001/2016-17 dated July 01, 2016 (Updated as on July 03, 2017) issued by the Reserve Bank of India, due to the ongoing forensic audits. However, based on internal investigation performed by the Bank, the management is of the view that no additional provision is required in respect of these advances as at 30 June 2019. Our conclusion is not modified in respect of this matter.
6. The review of unaudited quarterly financial results for the quarter ended 30 June 2018, included in the Statement was carried out and reported by M/s Abarna & Ananthan who have expressed unmodified conclusion vide their review report dated 25 July 2018, whose review report have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement. Our conclusion is not modified in respect of this matter.

**For Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013



**Krishnakumar Ananthasivan**

Partner

Membership No. 206229



**UDIN: 19206229AAAABK6497**

Place : Karur

Date : 24 July 2019