KVB Karur Vysya Bank
Smart way to bank

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

02nd May 2015

Dear Sir,

FINANCIAL RESULTS FY 2014-15 – CORRIGENDUM

*****

In the financial results uploaded on 30th April 2015, there is a typographical error crept in the EPS figures furnished. The correct figures are

In the Column	Figures (in Rupees)
Basic EPS before and after extraordinary items (not to be annualized)	11.83 (Q4)
Basic EPS before and after extraordinary items (not to be annualized	39.86 (Year ended 31.03.15)
Diluted EPS before and after extraordinary items (not to be annualized	11.81 (Q4)
Diluted EPS before and after extraordinary items (not to be annualized	39.78 (Year ended 31.03.15)

The corrected figures in full statement is uploaded for clarity.

Yours faithfully

T SIVARAMA PRASAD
Chief Financial Officer

THE KARUR VYSYA BANK LIMITED
Finance & Control Department
Central Office, Erode Road, KARUR-639 002.
✆ (04324) 269326, 269328, 269343,
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KVB Karur Vysya Bank

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31st MARCH 2015

(₹ in lakhs)

Particulars	3 Months ended			Year ended	
	31-Mar-15	31-Dec-14	31-Mar-14	31-Mar-15	31-Mar-14
	Audited	Reviewed	Audited	Audited	
1. Interest earned (a)+(b)+(c)+(d)	132782	136466	132274	539587	511596
a) Interest / discount on advances /bills	104446	106715	100264	421131	387200
b) Income on Investments	28249	29287	30086	117755	119738
c) Interest on balances with RBI and other interbank funds	54	446	763	624	1092
d) Others	33	18	1161	77	3566
2. Other Income	17979	14714	14571	58084	56445
3. Total Income (1+2)	150761	151180	146845	597671	568041
4. Interest Expended	93044	97359	97441	392997	383226
5. Operating Expenses (i+ii)	31717	27552	28475	110345	101036
(i) Employees cost	15776	13979	14796	54705	52792
(ii) Other operating expenses	15941	13573	13679	55640	48244
6. Total Expenditure (4+5) excluding provision and contigencies	124761	124911	125916	503342	484262
7. Operating Profit before Provisions and Contingencies (3-6)	26000	26269	20929	94329	83779
8. Provisions (other than tax) and Contingencies	19483	10615	11003	48051	44231
9. Exceptional items	0	0	0	0	0
10. Profit /(Loss) from Ordinary activities before tax (7-8-9)	6517	15654	9926	46278	39548
11.Tax expense	-6399	4266	-2033	717	-3412
12.Net Profit from ordinary activities after tax(10-11)	12916	11388	11959	45561	42960
13.Extraordinary items (net of tax expense)	-867	0	0	-867	0
14.Net Profit for the period (12-13)	13783	11388	11959	46428	42960
15.Paid-up equity share capital (FV Rs.10/-)	12163	12098	10718	12163	10718
16.Reserves excluding Revaluation Reserve (as per balance sheet of previous accounting year)	412440	321916	321916	412440	321916
17. Analytical Ratios					
(i) % of shares held by Government of India	0%	0%	0%	0%	0%
(ii) Capital Adequacy Ratio-Basel II	14.63%	13.98%	12.77%	14.63%	12.77%
Basel III	14.62%	14.01%	12.60%	14.62%	12.60%
(iii) Earnings per share (EPS)					
a)Basic EPS before and after extraordinary items (not to be annualized)	11.83	10.26	11.16	39.86	40.08
b) Diluted EPS before and after extraordinary items (not to be annualized)	11.81	10.22	11.07	39.78	39.78
(iv) NPA Ratios					
a) Gross NPA	67778	68010	27918	67778	27918
b) Net NPA	28097	25661	13991	28097	13991
c) % of Gross NPA	1.85%	1.91%	0.82%	1.85%	0.82%
d) % of Net NPA	0.78%	0.73%	0.41%	0.78%	0.41%
e) Return on Asset(annualized)	1.04%	0.85%	0.93%	0.88%	0.86%

	3 Months ended			Year ended	
	31-Mar-15	31-Dec-14	31-Mar-14	31-Mar-15	31-Mar-14
	Audited	Reviewed	Audited	Audited	
18. Public Shareholding					
Number of Shares	119000551	118350527	103954269	119000551	103954269
% of Shareholding	97.84%	97.82%	96.99%	97.84%	96.99%
19. Promoters and Promoter Group Shareholding					
a) Pledged / Encumbered					
-Number of Shares	227341	230163	320343	227341	320343
-Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	8.65%	8.74%	9.93%	8.65%	9.93%
-Percentage of Shares (as a % of the total share capital of the Company)	0.19%	0.19%	0.30%	0.19%	0.30%
b) Non - encumbered					
- Number of Shares	2401717	2403834	2906494	2401717	2906494
- Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	91.35%	91.26%	90.07%	91.35%	90.07%
-Percentage of Shares (as a % of the total share capital of the company)	1.97%	1.99%	2.71%	1.97%	2.71%

Business Segments Rs.in Lacs

Segment Revenue					
1. Treasury Operations	32571	33539	31556	129950	134995
2. Corporate/Wholesale Banking Operations	42671	40576	40920	162332	149463
3. Retail Banking Operations	75182	76841	74010	304377	282266
4. Other Banking Operations	337	224	359	1013	1317
Total	**150761**	**151180**	**146845**	**597672**	**568041**
Segment Results					
1. Treasury Operations	8049	6969	3358	23975	23886
2. Corporate/Wholesale Banking Operations	9449	8737	8432	34982	29303
3. Retail Banking Operations	12940	16313	16250	56779	61315
4. Other Banking Operations	308	207	331	933	1239
Total	**30746**	**32226**	**28371**	**116669**	**115743**
Unallocated Income/Expenses	4746	5957	7442	22340	31964
Operating Profit	26000	26269	20929	94329	83779
Income Taxes	-6399	4266	-2033	717	-3412
Other Provisions	19483	10615	11003	48051	44231
Net Profit from ordinary activities	**12916**	**11388**	**11959**	**45561**	**42960**
Extraordinary items	**867**	**0**	**0**	**867**	**0**
Net Profit	**13783**	**11388**	**11959**	**46428**	**42960**
Other Information					
Segment Assets					
1. Treasury Operations	1278345	1420552	1327749	1278345	1327749
2. Corporate/Wholesale Banking Operations	1345414	1321628	1272730	1345414	1272730
3. Retail Banking Operations	2265480	2196859	2126483	2265480	2126483
4. Other Banking Operations	0	0	0	0	0
5. Unallocated Assets	426009	401202	427353	426009	427353
Total	**5315248**	**5340241**	**5154315**	**5315248**	**5154315**

Segment Liabilities

Rs.in lacs

	3 Months ended			Year ended	
	31-Mar-15	31-Dec-14	31-Mar-14	31-Mar-15	31-Mar-14
	Audited	Reviewed	Audited	Audited	
1. Treasury Operations	1270825	1401004	1361001	1270825	1361001
2. Corporate/Wholesale Banking Operations	1206539	1183930	1150919	1206539	1150919
3. Retail Banking Operations	2031715	1967955	1923325	2031715	1923325
4. Other Banking Operations	0	0	0	0	0
5. Unallocated Liabilities	382316	359245	386436	382316	386436
Capital Employed	423853	428107	332634	423853	332634
Total Liabilities	**5315248**	**5340241**	**5154315**	**5315248**	**5154315**

GEOGRAPHIC SEGMENTS: The Bank operates only in Domestic segment.

Statement of Assets and Liabilities

(₹ in lakhs)

Capital and Liabilities	**As on 31.03.2015 Audited**	**As on 31.03.2014 Audited**
Capital	12163	10718
Reserve and Surplus	412440	321916
Deposits	4469027	4375768
Borrowings	290075	329331
Other Liabilities and Provision	131543	116582
Total	**5315248**	**5154315**

Assets		
Cash & Balances with RBI	269292	254620
Balances with Banks and Money at Call	5617	13203
Investments	1277300	1324700
Advances	3610894	3399213
Fixed Assets	41117	38470
Other Assets	111028	124109
Total	**5315248**	**5154315**

Notes:

1) The above financial results for the year ended March 31,2015 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting held on April 30, 2015. The same have been subjected to audit by the Statutory Central Auditors of the bank in line with the guideleines issued by Reserve Bank of India and as per listing agreement with the stock exchanges.

2) There has been no change in the accounting policies followed during the year ended March 31, 2015 as compared to those followed in the preceding financial year ended 31st March 2014 ,except for accounting of depreciation on fixed assets .

Depreciation on fixed assets : In the current year,effective from April 1, 2014 the Bank has changed the accounting policy of charging depreciation having regard to change in the estimated useful life of the assets, from Written down value (WDV), method to Straight line methord (SLM) in respect of all fixed assets other than buildings and computers , and computers however being depreciated under SLM.

The management belives that the aforesaid changes better reflect the actual use of assets acquired and is in confirmity with the Companies Act,2013. On account of this change in accounting policy, the bank has in the current quarter,reversed an amount of Rs 866.64 lakhs representing the excess depreciation charge for the period upto March 31,2014 and disclosed the same as an exceptional item. As a result of this change, the net profit for the current year is higher by Rs 866.64 lakhs and current quarter Rs 866.64 lakh and the basic and diluited earnings per share is higher by Rs 0.44 per share .

In accordance with the requirement of schedule II of Companies Act,2013 the bank has also reassessed the useful life of the fixed asset and an amount of Rs 77.97 lakhs has been charged to the financial results of the current year representing the depreciation on the carrying value of the asset as on April 1, 2014 on the remaining useful lives .

3) The figures for the quarter ended 31st March 2015 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figure between audited figures in respect of the full financial year and the year to date figures upto the end of the third quarter of the relevant financial year.

4) The working results for the year ended 31st March 2015 have been arrived at after making provisions for Non-performing Assets, provision for Standard Assets, Depreciation on Investments, Taxes on Income and other usual and necessary provisions.

5) Pending final settlement of wage revision of employees, an expenditure of Rs. 20 Crore is provided during the year/quater apart from adhoc payment made to employees.

6) In terms of the Reserve Bank of India circular DBOD.No.BP.BC.80/21.4.018/2010-11 dated 9th February 2011 on amortization of expenses towards pension and gratuity liabilities, the outstanding balance of sum of Rs.16.90 crore has been charged to the Profit and Loss Account during the year ended 31st March 2015.

7)The Bank has recognized the Income Tax Liability of Rs. 103.78 cr on its Book Profits in terms of section 115JB of the Income Tax Act and the sum of Rs.63.86cr, being MAT credit entitlement under section 115 JAA of the Income Tax act, 1961 has been recognized and treated as an Asset.

8) In accordance with the RBI circular DBOD. No. BPBC.2/21.06.201/2013-14 dated 01.07.2013, banks are required to make half yearly Pillar III disclosures under Basel III capital requirements with effect from 30th September, 2013.The disclosures have been made available on the banks web site at the following link http://www.kvb.co.in/footer/pillarIII_disclosures.html

9) The bank has recognised i) Treasury; ii) Corporate & Wholesale Banking; iii) Retail Banking; and iv) Other banking operations as primary reporting segments. There are no secondary reporting segments

10) The Board of Directors recommend Dividend of Rs.13/- per equity share of Rs.10/- each for the year 2014-15

11) Details of Investor Complaints for the quarter ended 31st March 2015
i) Pending at the beginning of the quarter: 0 , ii) Received during the quarter : 2 , iii) Redressed during the quarter : 2, iv) Pending at end of the quarter : 0

12) Provision Coverage Ratio is 75.20% as on 31st March 2015

13) During the quarter ended 31st March 2015, the Bank had allotted 645085 shares pursuant to the exercise of stock options by certain employees. The total no of Shares allotted for the entire year is 14448503 . During the year, the Bank issued 13412015 shares having a face value of Rs.10/- at a premium of Rs.466 as Qualified investors Placement with necessary approval from SEBI and the expenses of QIP issue of Rs 7.40 crores was netted off against the share premium.

14) Figures of the corresponding period have been re-classified/regrouped wherever considered necessary.

For and on behalf of Board of Directors

Place : Karur

Date : 30.04.2015

K.Venkataraman
Managing Director & CEO

THE KARUR VYSYA BANK LTD. FCD C.O.

"As per our report of even date"
For Abarna & Ananthan
Chartered Accountants
Firm Registration No. 000003S

ABARNA & ANANTHAN FRN No 000003S BANGALORE CHARTERED ACCOUNTANTS

Lalitha Rameswaran
Partner
Membership No. 207867

Independent Auditor's Report

To
The Shareholders of The Karur Vysya Bank Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of the Karur Vysya Bank Limited, which comprise the Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss 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 9 branches/offices audited by us, 676 branches/offices audited by branch auditors.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with the Banking Regulation Act, 1949 and Accounting Standards notified under the Companies Act, 2013 ("this Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs with regard to applicability of provisions of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that 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. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.



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Branch - Chennai

4. 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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.



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Emphasis of Matter

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

   (a) **Note No. 2** of the financial results, which describes the change of accounting policy of charging of Depreciation on fixed asset except building and computers having regard to change in the estimated useful life of the assets from Written down value method to Straight line method as per the requirement of Schedule II of the Companies Act 2013.

   (b) **Note No. 6** of the financial results, regarding absorption of unamortised pension and gratuity liabilities of the bank to the extent of Rs.16.90 crore pursuant to the exemption granted by the Reserve Bank of India from the application of the provisions of Accounting Standard (AS) 15, Employee Benefits vide circular No. DBOD. BP. BC /80/21.04.018/2010-11 dated Feb.9th 2011; and

Report on Other Legal and Regulatory Matters

8. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 129 of the Companies Act, 2013.

9. Subject to the limitations of the audit indicated in paragraph 1 to 5 above, 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.

10. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

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11. We further report that:

(i) the Balance Sheet and Profit and Loss Account dealt with by this report, are in agreement with the books of account and the returns;

(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 branches audited by branch auditors have been dealt with in preparing our report in the manner considered necessary by us

(iv) on the basis of the written representation received from the directors and 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 of the Companies Act, 2013.

For Abarna & Ananthan.
Chartered Accountants
Firm Registration No.000003S



Karur

April 30, 2015

Lalitha Rameswaran
Partner
Membership No. 207867

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