

**Karur Vysya Bank***Smart way to bank*

FCD/317/2019-20

Nov. 01, 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/half year ended 30<sup>th</sup> September 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/half year ended 30<sup>th</sup> September 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 &amp; 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/HALF YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2019**
*(Rs. in lakh)*

| Particulars                                                                | Quarter ended |               |               | Half Year ended |               | Year ended    |
|----------------------------------------------------------------------------|---------------|---------------|---------------|-----------------|---------------|---------------|
|                                                                            | 30-09-2019    | 30-06-2019    | 30-09-2018    | 30-09-2019      | 30-09-2018    | 31-03-2019    |
|                                                                            | Unaudited     |               |               | Unaudited       |               | Audited       |
| <b>1. Interest earned (a+b+c+d)</b>                                        | <b>153751</b> | <b>149253</b> | <b>145694</b> | <b>303004</b>   | <b>289947</b> | <b>581582</b> |
| a) Interest / discount on advances / bills                                 | 119324        | 117550        | 115909        | 236874          | 229336        | 459638        |
| b) Income on Investments                                                   | 30021         | 28213         | 28722         | 58234           | 57674         | 115059        |
| c) Interest on balances with Reserve Bank of India & other interbank funds | 4163          | 3246          | 728           | 7409            | 2233          | 4290          |
| d) Other Interest                                                          | 243           | 244           | 335           | 487             | 704           | 2595          |
| <b>2. Other Income</b>                                                     | <b>27773</b>  | <b>26984</b>  | <b>17556</b>  | <b>54757</b>    | <b>43043</b>  | <b>96277</b>  |
| <b>3. Total Income (1+2)</b>                                               | <b>181524</b> | <b>176237</b> | <b>163250</b> | <b>357761</b>   | <b>332990</b> | <b>677859</b> |
| <b>4. Interest Expended</b>                                                | <b>94123</b>  | <b>90856</b>  | <b>87780</b>  | <b>184979</b>   | <b>173671</b> | <b>345300</b> |
| <b>5. Operating Expenses (i+ii)</b>                                        | <b>44285</b>  | <b>40868</b>  | <b>39331</b>  | <b>85153</b>    | <b>77218</b>  | <b>161480</b> |
| (i) Employees cost                                                         | 21299         | 20375         | 17266         | 41674           | 35122         | 76117         |
| (ii) Other operating Expenses                                              | 22986         | 20493         | 22065         | 43479           | 42096         | 85363         |
| <b>6. Total Expenditure (excluding provisions and contingencies) (4+5)</b> | <b>138408</b> | <b>131724</b> | <b>127111</b> | <b>270132</b>   | <b>250889</b> | <b>506780</b> |
| <b>7. Operating Profit before provisions and contingencies (3-6)</b>       | <b>43116</b>  | <b>44513</b>  | <b>36139</b>  | <b>87629</b>    | <b>82101</b>  | <b>171079</b> |
| <b>8. Provisions (other than tax) and Contingencies</b>                    | <b>36517</b>  | <b>32997</b>  | <b>21314</b>  | <b>69514</b>    | <b>63581</b>  | <b>138855</b> |
| <b>9. Exceptional items</b>                                                | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>        | <b>-</b>      | <b>-</b>      |
| <b>10. Profit from ordinary activities before tax (7-8-9)</b>              | <b>6599</b>   | <b>11516</b>  | <b>14825</b>  | <b>18115</b>    | <b>18520</b>  | <b>32224</b>  |
| <b>11. Tax expense</b>                                                     | <b>266</b>    | <b>4224</b>   | <b>6451</b>   | <b>4490</b>     | <b>5555</b>   | <b>11137</b>  |
| <b>12. Net Profit from ordinary activities after tax (10-11)</b>           | <b>6333</b>   | <b>7292</b>   | <b>8374</b>   | <b>13625</b>    | <b>12965</b>  | <b>21087</b>  |
| <b>13. Extraordinary items (net of tax expense)</b>                        | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>        | <b>-</b>      | <b>-</b>      |
| <b>14. Net Profit for the period (12-13)</b>                               | <b>6333</b>   | <b>7292</b>   | <b>8374</b>   | <b>13625</b>    | <b>12965</b>  | <b>21087</b>  |


*Lee*

**THE KARUR VYSYA BANK LIMITED**

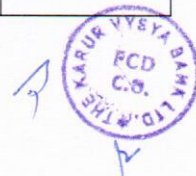
Finance & Control Department  
Registered & Central Office, No. 20, Erode Road,  
Vadivel Nagar, L.N.S. Karur – 639002, Tamil Nadu  
☎ : (04324)269326,269328  
Email: fcd@kvbmail.com  
Website: www.kvb.co.in  
CIN : L65110TN1916PLC001295

| Particulars                                             | Quarter ended |            |            | Half Year ended |            | Year ended |
|---------------------------------------------------------|---------------|------------|------------|-----------------|------------|------------|
|                                                         | 30-09-2019    | 30-06-2019 | 30-09-2018 | 30-09-2019      | 30-09-2018 | 31-03-2019 |
|                                                         | Unaudited     |            |            | Unaudited       |            | Audited    |
| 15. Paid-up equity share capital (FV Rs. 2/- per share) | 15986         | 15986      | 15986      | 15986           | 15986      | 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%        | 15.99%     | 14.22%     | 15.99%          | 14.22%     | 16.00%     |
| (iii) Earnings per share (EPS)^ (Rs.)                   |               |            |            |                 |            |            |
| a) Basic EPS before and after extraordinary items       | 0.79          | 0.91       | 1.05       | 1.70            | 1.62       | 2.64       |
| b) Diluted EPS before and after extraordinary items     | 0.79          | 0.91       | 1.05       | 1.70            | 1.62       | 2.64       |
| (iv) NPA Ratios                                         |               |            |            |                 |            |            |
| a) Gross NPA                                            | 439103        | 451083     | 370741     | 439103          | 370741     | 444957     |
| b) Net NPA                                              | 211835        | 232177     | 205151     | 211835          | 205151     | 242034     |
| c) % of Gross NPA                                       | 8.89%         | 9.17%      | 7.70%      | 8.89%           | 7.70%      | 8.79%      |
| d) % of Net NPA                                         | 4.50%         | 4.94%      | 4.41%      | 4.50%           | 4.41%      | 4.98%      |
| (v) Return on Asset (annualised)                        | 0.34%         | 0.40%      | 0.49%      | 0.37%           | 0.38%      | 0.31%      |

^ EPS not annualized for the quarter/half year.



*hce*



# 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

**SEGMENT REPORTING FOR THE QUARTER/HALF YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2019**
*(Rs. in lakh)*

| Business Segments                   | Quarter ended |            |            | Half Year ended |            | Year ended |
|-------------------------------------|---------------|------------|------------|-----------------|------------|------------|
|                                     | 30-09-2019    | 30-06-2019 | 30-09-2018 | 30-09-2019      | 30-09-2018 | 31-03-2019 |
|                                     | Unaudited     |            |            | Unaudited       |            | Audited    |
| Segment Revenue                     |               |            |            |                 |            |            |
| 1. Treasury                         | 44326         | 39103      | 28118      | 83429           | 60595      | 130725     |
| 2. Corporate/Wholesale Banking      | 37798         | 38375      | 41589      | 76173           | 85199      | 165386     |
| 3. Retail Banking                   | 98694         | 98133      | 93010      | 196827          | 186069     | 379250     |
| 4. Other Banking Operations         | 706           | 626        | 533        | 1332            | 1127       | 2498       |
| Total                               | 181524        | 176237     | 163250     | 357761          | 332990     | 677859     |
| Segment Results                     |               |            |            |                 |            |            |
| 1. Treasury                         | 15224         | 14062      | 3338       | 29286           | 11328      | 34590      |
| 2. Corporate/Wholesale Banking      | 9176          | 10294      | 11862      | 19470           | 25948      | 48484      |
| 3. Retail Banking                   | 24673         | 25944      | 26487      | 50617           | 55596      | 109855     |
| 4. Other Banking Operations         | 621           | 555        | 477        | 1176            | 1008       | 2219       |
| Total                               | 49694         | 50855      | 42164      | 100549          | 93880      | 195148     |
|                                     |               |            |            |                 |            |            |
| Less: Unallocated Expenses          | 6578          | 6342       | 6025       | 12920           | 11779      | 24069      |
| Operating Profit                    | 43116         | 44513      | 36139      | 87629           | 82101      | 171079     |
| Tax expense                         | 266           | 4224       | 6451       | 4490            | 5555       | 11137      |
| Other Provisions                    | 36517         | 32997      | 21314      | 69514           | 63581      | 138855     |
| Net Profit from ordinary activities | 6333          | 7292       | 8374       | 13625           | 12965      | 21087      |
| Extraordinary items                 | -             | -          | -          | -               | -          | -          |
| Net Profit                          | 6333          | 7292       | 8374       | 13625           | 12965      | 21087      |
| Segment Assets                      |               |            |            |                 |            |            |
| 1. Treasury                         | 2031770       | 1981001    | 1651777    | 2031770         | 1651777    | 1560418    |
| 2. Corporate/Wholesale Banking      | 1266351       | 1298149    | 1393214    | 1266351         | 1393214    | 1359870    |
| 3. Retail Banking                   | 3443830       | 3400072    | 3254764    | 3443830         | 3254764    | 3498211    |
| 4. Other Banking Operations         | -             | -          | -          | -               | -          | -          |
| 5. Unallocated                      | 599480        | 562281     | 494186     | 599480          | 494186     | 515512     |
| Total Segment Assets                | 7341431       | 7241503    | 6793941    | 7341431         | 6793941    | 6934011    |


*hce*

**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

| Business Segments                                       | Quarter ended |            |            | Half Year ended |            | Year ended |
|---------------------------------------------------------|---------------|------------|------------|-----------------|------------|------------|
|                                                         | 30-09-2019    | 30-06-2019 | 30-09-2018 | 30-09-2019      | 30-09-2018 | 31-03-2019 |
|                                                         | Unaudited     |            |            | Unaudited       |            | Audited    |
| Segment Liabilities                                     |               |            |            |                 |            |            |
| 1. Treasury                                             | 2009300       | 1909375    | 1529443    | 2009300         | 1529443    | 1446291    |
| 2. Corporate/Wholesale Banking                          | 1116766       | 1155811    | 1254708    | 1116766         | 1254708    | 1226053    |
| 3. Retail Banking                                       | 3036956       | 3026510    | 2930915    | 3036956         | 2930915    | 3154225    |
| 4. Other Banking Operations                             | -             | -          | -          | -               | -          | -          |
| 5. Unallocated                                          | 528279        | 500228     | 444745     | 528279          | 444745     | 465162     |
| Total (a)                                               | 6691301       | 6591924    | 6159811    | 6691301         | 6159811    | 6291731    |
| Capital Employed (Segment Assets - Segment Liabilities) |               |            |            |                 |            |            |
| 1. Treasury                                             | 22470         | 71626      | 122334     | 22470           | 122334     | 114127     |
| 2. Corporate/Wholesale Banking                          | 149585        | 142338     | 138506     | 149585          | 138506     | 133817     |
| 3. Retail Banking                                       | 406874        | 373562     | 323849     | 406874          | 323849     | 343986     |
| 4. Other Banking Operations                             | -             | -          | -          | -               | -          | -          |
| 5. Unallocated                                          | 71201         | 62053      | 49441      | 71201           | 49441      | 50350      |
| Total (b)                                               | 650130        | 649579     | 634130     | 650130          | 634130     | 642280     |
| Total Segment Liabilities (a+b)                         | 7341431       | 7241503    | 6793941    | 7341431         | 6793941    | 6934011    |

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.



*lu*



**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

**STATEMENT OF ASSETS AND LIABILITIES AS ON 30<sup>TH</sup> SEPTEMBER 2019**
*(Rs. in lakh)*

| Particulars                                            | As on<br>30-09-2019<br>(Unaudited) | As on<br>30-09-2018<br>(Unaudited) | As on<br>31-03-2019<br>(Audited) |
|--------------------------------------------------------|------------------------------------|------------------------------------|----------------------------------|
| <b>Capital &amp; Liabilities</b>                       |                                    |                                    |                                  |
| Capital                                                | 15986                              | 15986                              | 15986                            |
| Reserves and Surplus                                   | 634144                             | 618144                             | 626294                           |
| Deposits                                               | 6221279                            | 5826177                            | 5986795                          |
| Borrowings                                             | 305269                             | 190329                             | 156534                           |
| Other Liabilities and Provisions                       | 164753                             | 143305                             | 148402                           |
| <b>Total</b>                                           | <b>7341431</b>                     | <b>6793941</b>                     | <b>6934011</b>                   |
| <b>Assets</b>                                          |                                    |                                    |                                  |
| Cash & Balances with Reserve Bank of India             | 348656                             | 302818                             | 293468                           |
| Balances with Banks and Money at Call and Short Notice | 193441                             | 101829                             | 76237                            |
| Investments                                            | 1839835                            | 1553712                            | 1488159                          |
| Advances                                               | 4710181                            | 4647978                            | 4858081                          |
| Fixed Assets                                           | 61276                              | 57701                              | 58298                            |
| Other Assets                                           | 188042                             | 129903                             | 159768                           |
| <b>Total</b>                                           | <b>7341431</b>                     | <b>6793941</b>                     | <b>6934011</b>                   |



**THE KARUR VYSYA BANK LIMITED**

Finance &amp; 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

**CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2019**
*(Rs. in lakh)*

| Particulars                                                                   | Period ended<br>30-09-2019<br>(Unaudited) | Period ended<br>30-09-2018<br>(Unaudited) | Year ended<br>31-03-2019<br>(Audited) |
|-------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|---------------------------------------|
| <b>Cash Flow from Operating Activities</b>                                    |                                           |                                           |                                       |
| Net Profit as per Profit and Loss account                                     | 13625                                     | 12965                                     | 21087                                 |
| Adjustments for                                                               |                                           |                                           |                                       |
| Depreciation for the year                                                     | 5509                                      | 4819                                      | 10122                                 |
| Interest Paid on TIER II Bond issued                                          | 3635                                      | 742                                       | 1798                                  |
| Provisions and Contingencies                                                  | (424)                                     | (2182)                                    | 383                                   |
| Provision for Taxes                                                           | 4490                                      | 5555                                      | 11137                                 |
| Provision for Depreciation on Investment                                      | 1115                                      | 1733                                      | 1735                                  |
| Provision for Standard Assets                                                 | 910                                       | (991)                                     | (208)                                 |
| Provision for Bad and Doubtful debts                                          | 65264                                     | 61023                                     | 131774                                |
| Provision for Non performing investments                                      | 2650                                      | 3998                                      | 5170                                  |
| Provision for Leave Encashment                                                | 1460                                      | 448                                       | 1921                                  |
| Amortization of premium paid on HTM Securities                                | 2872                                      | 2326                                      | 4393                                  |
| Provision for ESOP                                                            | -                                         | -                                         | 29                                    |
| (Profit) /Loss on Sale of Fixed Assets/Other Assets                           | 670                                       | (123)                                     | (125)                                 |
| <b>Operating Profit before Working Capital changes</b>                        | <b>101776</b>                             | <b>90313</b>                              | <b>189216</b>                         |
| <b>Changes in Working Capital</b>                                             |                                           |                                           |                                       |
| (Increase) / Decrease in Investments (excluding Held to Maturity Investments) | (217425)                                  | 34889                                     | 15249                                 |
| (Increase) / Decrease in Advances                                             | 82230                                     | (228077)                                  | (509083)                              |
| (Increase) / Decrease in Other Assets                                         | (24795)                                   | 27209                                     | (838)                                 |
| Increase / (Decrease) in Deposits                                             | 234484                                    | 137168                                    | 297786                                |
| Increase / (Decrease) in Borrowings                                           | 148735                                    | (47838)                                   | (82865)                               |
| Increase / (Decrease) in Other Operating Liabilities                          | 16091                                     | 5832                                      | 6466                                  |
| <b>Cash Flow from/(used ) in Operating activities before Tax</b>              | <b>341096</b>                             | <b>19496</b>                              | <b>(84069)</b>                        |
| Direct Taxes Paid                                                             | (9200)                                    | (12600)                                   | (20000)                               |
| <b>Net Cash from / (used) in Operating activities</b>                         | <b>331896</b>                             | <b>6896</b>                               | <b>(104069)</b>                       |
| <b>Cash Flow from Investing Activities</b>                                    |                                           |                                           |                                       |
| Purchase of Fixed Assets                                                      | (8487)                                    | (9701)                                    | (15601)                               |
| Increase / Decrease in Held to Maturity Investments                           | (140888)                                  | (16338)                                   | 65615                                 |
| Profit / (Loss) on Sale of Fixed Assets / Other Assets                        | (670)                                     | 123                                       | 125                                   |
| <b>Net Cash from / (used) in Investing Activities</b>                         | <b>(150045)</b>                           | <b>(25916)</b>                            | <b>50139</b>                          |
| <b>Cash Flow from Financing Activities</b>                                    |                                           |                                           |                                       |
| Proceeds from Share Capital                                                   | -                                         | 1453                                      | -                                     |
| Proceeds from Share Premium ( net of share issue expenses)                    | 6                                         | (1451)                                    | 2                                     |

**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



| Particulars                                                         | Period ended<br>30-09-2019<br>(Unaudited) | Period ended<br>30-09-2018<br>(Unaudited) | Year ended<br>31-03-2019<br>(Audited) |
|---------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|---------------------------------------|
| Interest paid on TIER II Bond issued                                | (3635)                                    | (742)                                     | (1798)                                |
| Dividend paid (including Dividend Distribution Tax )                | (5830)                                    | (5284)                                    | (5491)                                |
| <b>Net Cash from / (used) in Financing Activities</b>               | <b>(9459)</b>                             | <b>(6024)</b>                             | <b>(7287)</b>                         |
| <b>Cash Flow from / (used) in Operating Activities</b>              | <b>331896</b>                             | <b>6896</b>                               | <b>(104069)</b>                       |
| <b>Cash Flow from / (used) in Investing Activities</b>              | <b>(150045)</b>                           | <b>(25916)</b>                            | <b>50139</b>                          |
| <b>Cash Flow from / (used) in Financing Activities</b>              | <b>(9459)</b>                             | <b>(6024)</b>                             | <b>(7287)</b>                         |
| <b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>     | <b>172392</b>                             | <b>(25044)</b>                            | <b>(61217)</b>                        |
| <b>Cash and Cash Equivalents at the beginning of the Year</b>       | <b>369705</b>                             | <b>429691</b>                             | <b>430922</b>                         |
| <b>Cash and Cash Equivalents at the end of the Period/Year</b>      | <b>542097</b>                             | <b>404647</b>                             | <b>369705</b>                         |
| The above Cash Flow Statement is followed based on indirect method. |                                           |                                           |                                       |

**Notes:**

1. The above financial results for the quarter/half year ended 30<sup>th</sup> September 2019 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at the meeting held on 01<sup>st</sup> November 2019. The same have been subjected to "Limited Review" by the Statutory Central Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India and as per the listing agreement with the stock exchange.
2. There has been no change in the accounting policies followed in the preparation of interim financial results for the quarter/half year ended 30<sup>th</sup> September 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. 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.
5. 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 31<sup>st</sup> March, 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.



*lue*


**THE KARUR VYSYA BANK LIMITED**

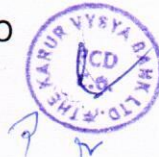
Finance & Control Department  
Registered & Central Office, No. 20, Erode Road,  
Vadivel Nagar, L.N.S. Karur – 639002. Tamil Nadu  
☎ : (04324)269326,269328  
Email: fcd@kvbmail.com  
Website: www.kvb.co.in  
CIN : L65110TN1916PLC001295

6. The Bank has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendments) Ordinance, 2019. Accordingly, the bank has recognized provision for Income Tax for the quarter and half year ended 30<sup>th</sup> September, 2019 and re-measured its Deferred Tax Liability and Assets basis the rate prescribed in the aforesaid section and has recognized the effect of change by revising the annual effective income tax rate.
7. In respect of certain Non-Performing Assets under Red Flag Accounts, there is a delay over and above the time period of six months as stipulated by the 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) in classifying the accounts as fraud or otherwise pending completion & receipt of the forensic Audit reports. These accounts which have balance outstanding of Rs. 269.84 crore (net of provisions) have also been referred to National Company Law Tribunal under Corporate Insolvency Resolution Process for recovery / resolution proceedings. In the opinion of the management, based on the information available currently and pending receipt of forensic audit reports, the provisions on these accounts made are adequate and no additional provisions are required to be made as on September 30, 2019.
8. Provision Coverage Ratio calculated as per Reserve Bank of India guidelines is 61.82% as on 30<sup>th</sup> September 2019.
9. Previous period's /year's figures have been re-classified / regrouped wherever considered necessary to conform to the current period's classification.

For and on behalf of Board of Directors

Place : Karur  
Date : 01-11-2019

  
P R Seshadri  
Managing Director & CEO



**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

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

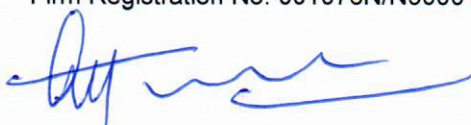
**To the Board of Directors of The Karur Vysya Bank Limited**

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 September 2019 and the year to date results for the period 01 April 2019 to 30 September 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 September 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. Attention is drawn to the fact that the cash flow figures for the corresponding six month period ended 30 September 2018 have been approved by the Bank's Board of Directors, but have not been subjected to audit or review.
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 05 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. As explained in note 7 to the accompanying Statement, which describes that for certain non-performing advances amounting to INR 269.84 crores (net of provisions), the Bank has continued to classify these advances as Red Flagged Accounts as at 30 September 2019 beyond a period of six months, being the time period stipulated for change of status for such Red Flagged Accounts 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. Based on pendency of the aforesaid forensic audit, the management is of the view that no additional provision is required to be made in the accompanying Statement for the period ended 30 September 2019. However, in absence of the sufficient appropriate evidence to support the management assessment that no additional provision is required to be made in the accompanying Statement, we are unable to comment on adjustments, if any, that maybe required to be made to the provisions carried in respect of these advances and consequential impact on the accompanying Statement.
5. Based on our review conducted as above, except for the possible effects of the matter described in previous section, 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 September 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.

**For Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013



**Krishnakumar Ananthasivan**  
Partner  
Membership No. 206229



**UDIN : 19206229AAAACH5534**

**Place : Karur**  
**Date : 01 November 2019**