

FCD/RES/Q4/45/2021

May 28, 2021

The Secretary,
Bombay Stock Exchange,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort, Mumbai - 400 001.

Dear Sirs,

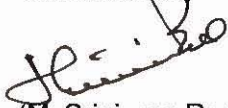
Reg: Audited Financial Results of the Bank for the quarter/year ended 31st March 2021.

Please find enclosed copy of the audited financial results for the quarter/year ended 31st March 2021. The results were duly approved by the Board of Directors at its meeting held today. A copy of the audit report of the Statutory Auditors is also enclosed.

Pursuant to second proviso to Regulation 33(3)(d) of SEBI LODR Regulations, 2015, as amended, we hereby declare that the Statutory Auditors M/s. Walker Chandiook & Co. LLP (Registration No. 001076N/N500013), have submitted their audit report with unmodified opinion on the audited financial results of the Bank for the quarter / year ended 31st March 2021.

This is for your information.

Yours faithfully



(M. Srinivasa Rao)
Asst. Gen. Manager & Company Secretary

THE KARUR VYSYA BANK LIMITED

Finance & Control Department
Registered & Central Office, No.20, Erode Road,
Vadivel Nagar, L.N.S. KARUR - 639 002. Tamil Nadu
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E.mail : fcd@kvbmail.com
Website : www.kvb.co.in
CIN : L65110TN1916PLC001295
GSTIN : 33AAACT3373J1ZD

Independent Auditor's Report on Annual Financial Results of the Bank 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

Opinion

1. We have audited the accompanying annual financial results ('the Statement') of The Karur Vysya Bank Limited ('the Bank') for the year ended 31 March 2021, attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time, except for the disclosures relating to Pillar 3 disclosure as at 31 March 2021, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on Bank's website and in respect of which a link has been provided in the Statement and have not been audited by us.
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the Bank's branch auditors as referred to in paragraph 12 below, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, except for the disclosures relating to Pillar 3 disclosures as at 31 March 2021, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on Bank's website and in respect of which a link has been provided in the Statement and have not been audited by us; and
 - (ii) gives a true and fair view in conformity with the applicable accounting standards prescribed under section 133 of the Companies Act, 2013 ('the Act') 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 (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, of the net profit after tax and other financial information of the Bank for the year ended 31 March 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the

financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and that obtained by the Bank's branch auditors, in terms of their reports referred to in paragraph 12 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 7, of the accompanying Statement, which describes the uncertainties due to the outbreak of COVID-19. The impact of these uncertainties on the Bank's financial results is significantly dependent on future developments.

Our opinion is not modified in respect of the above matter.

Management's and Those Charged with Governance Responsibilities for the Statement

5. This Statement, which is the responsibility of the management and has been approved by the Bank's Board of Directors, has been prepared on the basis of the annual financial statements. The Bank's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit after tax and other financial information of the Bank in accordance with the AS prescribed under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) the relevant provisions of the Banking Regulation Act, 1949 and RBI Guidelines and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations including SEBI Circulars. 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 adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
6. In preparing the Statement, the Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

9. As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Bank has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

12. We did not audit the financial information of 807 branches and other offices included in the Statement, whose financial information reflects total assets of INR 3,237,655 lakhs as at 31 March 2021 and total revenues of INR 371,404 lakhs for the year then ended, as considered in the Statement. The financial information of these branches and offices have been audited by the branch auditors, whose reports have been furnished to us by the management, and our opinion, in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the audit report of such branch auditors. Out of the aforesaid branches, in case of 8 branches the branch auditors have relied on alternative audit procedures on account of restrictions on physical visit to their branches, as per their reports.

13. The Statement includes the financial results for the quarter ended 31 March 2021, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

Our opinion is not modified in respect of the above matters.

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013



Digitally signed
by
Krishnakumar
Ananthasivan
Date:
2021.05.28
13:54:02 +05:30

Krishnakumar Ananthasivan
Partner
Membership No. 206229
UDIN: 21206229AAAABJ4979

Place: Kochi
Date: 28 May 2021

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2021

Particulars	Quarter ended			Year ended	
	31-03-2021	31-12-2020	31-03-2020	31-03-2021	31-03-2020
	Audited (Refer note 1 below)	Unaudited	Audited (Refer note 1 below)	Audited	
1. Interest earned (a+b+c+d)	134931	135031	145616	547042	598998
a) Interest / discount on advances / bills	109648	110465	114395	445354	466505
b) Income on investments	21970	23455	27552	94179	114967
c) Interest on balances with Reserve Bank of India & other interbank funds	3245	843	2935	6829	14076
d) Other interest	68	268	734	680	3450
2. Other income	21647	25149	34699	105665	115462
3. Total income (1+2)	156578	160180	180315	652707	714460
4. Interest expended	73671	76673	86568	311091	364204
5. Operating expenses (i+ii)	57929	57816	43764	198683	174171
(i) Employees cost	35121	36828	21442	115368	85665
(ii) Other operating expenses	22808	20988	22322	83315	88506
6. Total expenditure (excluding provisions and contingencies) (4+5)	131600	134489	130332	509774	538375
7. Operating profit before provisions and contingencies (3-6)	24978	25691	49983	142933	176085
8. Provisions (other than tax) and contingencies	7145	20121	42927	89496	148867
9. Exceptional items	-	-	-	-	-
10. Profit from ordinary activities before tax (7-8-9)	17833	5570	7056	53437	27218
11. Tax expense	7396	2107	(1314)	17498	3716
12. Net profit from ordinary activities after tax (10-11)	10437	3463	8370	35939	23502
13. Extraordinary items (net of tax expense)	-	-	-	-	-
14. Net profit for the period (12-13)	10437	3463	8370	35939	23502
15. Paid-up equity share capital (FV Rs.2/- per share)	15986	15986	15986	15986	15986
16. Reserves excluding revaluation reserve				679988	644041



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Particulars	Quarter ended			Year ended	
	31-03-2021	31-12-2020	31-03-2020	31-03-2021	31-03-2020
	Audited (Refer Note 1 below)	Unaudited	Audited (Refer Note 1 below)	Audited	Audited
(Rs. in lakh)					
17. Analytical ratio					
(i) % of shares held by Government of India	-	-	-	-	-
(ii) Capital adequacy ratio - Basel III (%)	18.98	18.52	17.17	18.98	17.17
(iii) Earnings per share (EPS)^ (Rs.)					
a) Basic EPS before and after extraordinary items	1.31	0.43	1.05	4.50	2.94
b) Diluted EPS before and after extraordinary items	1.31	0.43	1.05	4.50	2.94
(iv) NPA ratios					
a) Gross NPA	414287	384247	421277	414287	421277
b) Net NPA	171939	126311	180865	171939	180865
c) % of Gross NPA	7.85	7.37	8.68	7.85	8.68
d) % of Net NPA	3.41	2.55	3.92	3.41	3.92
(v) Return on asset (annualised) (%)	0.55	0.19	0.46	0.49	0.32

^ EPS not annualised for the quarter.

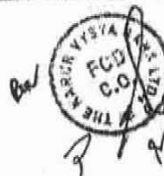


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SEGMENT REPORTING FOR THE QUARTER AND YEAR ENDED 31st MARCH 2021

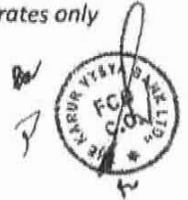
Business Segments	Quarter ended			Year ended	
	31-03-2021	31-12-2020	31-03-2020	31-03-2021	31-03-2020
	Audited (Refer note 1 below)	Unaudited	Audited (Refer note 1 below)	Audited	
(Rs. in lakh)					
Segment revenue					
1. Treasury	26439	30614	45183	139697	166896
2. Corporate/Wholesale banking	31647	31168	37104	125211	150547
3. Retail banking	97537	97654	97044	385018	393881
4. Other banking operations	955	744	984	2781	3136
Total	156578	160180	180315	652707	714460
Segment results					
1. Treasury	5669	8561	19067	48389	57825
2. Corporate/Wholesale banking	5617	4821	10352	26683	39259
3. Retail banking	18376	17215	26175	87559	102577
4. Other banking operations	654	516	867	2016	2760
Total	30316	31113	56461	164647	202421
Less: Unallocated income/expenses	5338	5422	6478	21714	26336
Operating profit	24978	25691	49983	142933	176085
Tax expense	7396	2107	(1314)	17498	3716
Other provisions	7145	20121	42927	89496	148867
Net profit from ordinary activities	10437	3463	8370	35939	23502
Extraordinary items	-	-	-	-	-
Net profit	10437	3463	8370	35939	23502
Segment assets					
1. Treasury	1912596	1837265	1738669	1912596	1738669
2. Corporate/Wholesale banking	1177076	1203033	1213077	1177076	1213077
3. Retail banking	3859275	3748212	3396734	3859275	3396734
4. Other banking operations	-	-	-	-	-
5. Unallocated	513372	471255	479337	513372	479337
Total segment assets	7462319	7259765	6827817	7462319	6827817


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Business Segments	Quarter ended			Year ended	
	31-03-2021	31-12-2020	31-03-2020	31-03-2021	31-03-2020
	Audited (Refer note 1 below)	Unaudited	Audited (Refer note 1 below)	Audited	
<i>(Rs. in lakh)</i>					
Segment liabilities					
1. Treasury	1836846	1676339	1607550	1836846	1607550
2. Corporate/Wholesale banking	1045290	1086600	1087141	1045290	1087141
3. Retail banking	3428179	3385706	3043627	3428179	3043627
4. Other banking operations	-	-	-	-	-
5. Unallocated	456030	425590	429472	456030	429472
Total (a)	6766345	6574235	6167790	6766345	6167790
Capital employed (Segment assets - Segment liabilities)					
1. Treasury	75750	160926	131119	75750	131119
2. Corporate/Wholesale banking	131786	116433	125936	131786	125936
3. Retail banking	431096	362506	353107	431096	353107
4. Other banking operations	-	-	-	-	-
5. Unallocated	57342	45665	49865	57342	49865
Total (b)	695974	685530	660027	695974	660027
Total segment liabilities (a+b)	7462319	7259765	6827817	7462319	6827817

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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STATEMENT OF ASSETS AND LIABILITIES AS ON 31st MARCH 2021
(Rs. in lakh)

Particulars	As on 31.03.2021 (Audited)	As on 31.03.2020 (Audited)
Capital & liabilities		
Capital	15986	15986
Reserves and surplus	679988	644041
Deposits	6327843	5907508
Borrowings	252829	118418
Other liabilities and provisions	185673	141864
Total	7462319	6827817
Assets		
Cash & balances with Reserve Bank of India	312405	273267
Balances with banks and money at call and short notice	319629	165988
Investments	1601893	1576244
Advances	5036350	4609811
Fixed assets	53906	58664
Other assets	138136	143843
Total	7462319	6827817


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CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021

Particulars	(Rs. in lakh)	
	Year ended 31-03-2021 (Audited)	Year ended 31-03-2020 (Audited)
Cash flow from operating activities		
Net Profit as per Profit and Loss account	35939	23502
Adjustments for		
Depreciation on Bank's property	12414	11888
Interest paid on TIER II bonds	5819	6537
Provisions for other contingencies	9804	5247
Provision for taxes	17498	3716
Provision for depreciation on investment	13782	4022
Provision for standard assets	573	370
Provision for bad and doubtful debts	63399	135617
Provision for non performing Investments	1938	3610
Provision for leave encashment	5501	1011
Amortization of premium paid on Held to Maturity (HTM) investments	12273	6708
Provision for employees stock option plan / scheme	8	20
(Profit) /Loss on sale of fixed assets (net)	(22)	1246
Operating profit before working capital changes	178926	203494
Adjustments for working capital changes		
(Increase) / Decrease in investments (excluding HTM investments)	76611	37537
(Increase) / Decrease in advances	(490609)	112224
(Increase) / Decrease in other assets	5707	18181
Increase / (Decrease) in deposits	420336	(79287)
Increase / (Decrease) in borrowings	134411	(23116)
Increase / (Decrease) in other liabilities and provisions	25171	(6651)
	350553	58888
Direct taxes paid	(14000)	(12000)
Net cash flow from operating activities	336553	250382
Cash flow from Investing activities		
Purchase of fixed assets	(7656)	(12253)
(Increase)/Decrease in HTM investments	(130251)	(139963)
Sale of fixed assets / other assets	22	(1246)
Net cash flow used in investing activities	(137885)	(153462)
Cash flow from financing activities		
Proceeds from share premium	-	6
Increase/(Decrease) in tier II bonds	-	(15000)
Interest paid on tier II bonds	(5820)	(6537)


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Particulars	(Rs. in lakh)	
	Year ended 31-03-2021 (Audited)	Year ended 31-03-2020 (Audited)
Dividend paid (including tax on dividend)	(69)	(5839)
Net cash flow used in financing activities	(5889)	(27370)
Net Increase in cash & cash equivalents	192779	69550
Cash and cash equivalents at the beginning of the year	439255	369705
Cash and cash equivalents at the end of the year	632034	439255

The above Cash Flow Statement is based on indirect method

Notes:

1. The figures for the quarter ended 31st March 2021 and 31st March 2020 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the respective financial year.
2. The above financial results for the year ended 31st March 2021 have been reviewed and recommended by the Audit Committee of the Board and approved by the Board of Directors at their meeting held on 28th May 2021. The same have been subjected to audit 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.
3. There has been no change in the accounting policies followed in the preparation of these financial results for the year ended 31st March 2021 as compared to those followed in the financial statements for the year ended 31st March 2020.
4. 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.
5. 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, profit on bullion business etc.



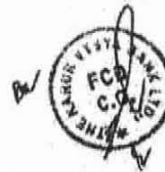
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6. In accordance with RBI circular DBOD.No.BP.BC.1/21.06.201/2015-16 dated 1st July 2015, read together with RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31st March 2015, Banks are required to make Pillar 3 disclosures under Basel III capital 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.
7. COVID-19 pandemic continues to have a significant impact and volatility in the global and domestic economies resulting in decrease in economic activities. Increase in infection rate and various lockdowns / movement restrictions announced by Central Government and various State Governments in India and the outbreak of current "second wave" of the pandemic may further slowdown the economic activity. The extent to which the same will impact the Bank's operations and financial results remain uncertain and is dependent on several factors including measures initiated or to be initiated by the Government of India and RBI. There is stress on collection of dues from customers, however the bank is closely monitoring the collection efficiency and will undertake additional steps if the efficiency levels breach the current level. As on 31st March 2021, the Bank continues to maintain liquidity coverage and capital adequacy ratios at higher levels than the regulatory minimum; the management continues to closely monitor the day to day operations, business, liquidity position and adequacy of capital.

RBI vide circular DOR.No.BP.BC.72/21.04.048/2019-20 dated 23rd May 2020 read with circulars DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April 2020 and DOR.No.BP.BC.47/21.04.048/2019-20 dated 27th March 2020 announced 'COVID-19 Regulatory Package' which envisaged grant of various relief measures to borrowers whose accounts were classified as Standard Assets as on 29th February 2020. Accordingly, Board approved a policy for implementation of the said package including, inter-alia, grant of moratorium on the payment of installments and / or deferment of interest falling due between 1st March 2020 and 31st August 2020 as well as relaxation of certain other parameters, to eligible borrowers, and the asset classification of the eligible borrowers remained unchanged during the moratorium period. Bank was required to make additional provision @ 10%, over two quarters beginning with quarter ending 31st March 2020 in respect of such borrowers whose accounts, though classified as standard as on 31st March 2020, would have become non-performing but for these benefits/relaxations, and accordingly a provision of Rs. 12001 lakh was created (Rs. 1950 lakh during the quarter/year ended 31st March 2020 and Rs. 10051 lakh during the quarter ended 30th June 2020).

As at 31st December 2020, an amount of Rs. 30492 lakh was held as provision towards COVID-19 regulatory package and provision in respect of the accounts which were not declared as NPA as per interim order dated 3rd September 2020 of the Honourable Supreme Court, as per which accounts which were not declared as NPA as on 31st August 2020, shall not be declared as NPA till further orders. Pursuant to the Supreme Court's judgment dated 23rd March 2021, and the related RBI circular



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☎ : (04324)269326,269328
E.mail : fcd@kvbmail.com
Website : www.kvb.co.in
CIN : L65110TN1916PLC001295
GSTIN : 33AAACT3373J1ZD

DOR.STR.REC.4/21.04.048/2021-22 dated 7th April 2021, the Bank has undertaken asset classification as per extant IRAC norms with effect from 1st September 2020. Accordingly, the said provision of Rs. 30492 lakh has been utilized for creation of provision required as per IRAC norms. The aggregate provision held for likely impact of COVID-19 as on 31st March 2021 is Rs. 1389 lakh.

Disclosure as per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April 2020 is given below:

SN	Particulars	Rs. in lakh
1	Outstanding amounts as on 31 st March 2020 in SMA/overdue categories, where the moratorium/deferment was extended	289646
2	Of (1) above, outstanding amount where asset classification benefits is extended (balance as on 31 st March 2021) *	19934
3	Provisions made during the quarter ended 31 st March 2020 and 30 th June 2020	12001
4	Provisions adjusted during the year against slippages	12001
5	Residual provision outstanding as at 31 st March 2021	Nil

* Note - Outstanding as at 30th September 2020 was Rs. 46262 lakh and as on 31st March 2021 is Rs. 40330 lakh, out of which Rs. 20396 lakh is classified as NPA as on 31st March 2021.

As per the scheme for grant of ex-gratia payment of difference between compound interest and simple interest for the period from 1st March 2020 to 31st August 2020 to eligible borrowers announced by Government of India vide letter No.: F.2/12/2020-BOA.I dated 23rd October 2020 an amount of Rs. 1303 lakh has been refunded to eligible borrowers and the same has been reimbursement by Government of India. Further, pursuant to the judgment of the Honourable Supreme Court of India on 23rd March 2021 in the matter of Small Scale Industrial Manufacturers Association Vs. Union of India & Others and the guidelines issued by RBI vide circular No.: DOR.STR.REC.4/21.04.048/2021-22 dated 7th April 2021, banks are required to refund / adjust the interest on interest / compound interest / penal interest charged to the borrowers during the moratorium period i.e. 1st March 2020 to 31st August 2020. Accordingly, the methodology for calculation of the amount of such 'interest on interest' to be refunded / adjusted was finalised by Indian Banks Association. The Bank is in the process of implementing this methodology and pending finalisation thereof, a provision has been created by reducing interest income, during the quarter / year ended 31st March 2021, by an amount of Rs. 2500 lakh towards estimated interest relief which is to be refunded / adjusted.

In accordance with the Resolution Framework for COVID-19 related stress announced by the RBI vide circular DOR.No.BP.BC/3/21.04.048/2020-21 dated 6th August 2020, the Bank has implemented one-time restructuring of eligible borrower accounts, including certain accounts which were not classified as NPA pursuant to the Supreme Court's interim order dated 3rd September 2020.



THE KARUR VYSYA BANK LIMITED

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Details of resolution plan implemented for COVID-19 related stress is given below:

(Rs. in lakh)

Type of borrower	Number of accounts where resolution plan has been implemented under this window	Exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
	(A)	(B)	(C)	(D)	(E)
Personal Loans	1606	31558	Nil	Nil	3166
Corporate persons*	18	22449	Nil	1012	2091
Of which, MSMEs	Nil	Nil	Nil	Nil	Nil
Others	23	3121	Nil	82	311
Total	1647	57128	Nil	1094	5568

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

8. Disclosures as per RBI circular DOR.No.BP.BC.72/21.04.048/2019-20 dated 23rd May 2020 and DOR.No.BP.BC.62/21.04.048/2020-21 dated 17th April 2020 in respect of accounts where the resolution period was extended during the year ended 31st March 2021 is as under :

No. of accounts in respect of which resolution period was extended	2
Amount involved (Rs. in lakh)	12758

9. Provision Coverage Ratio as on 31st March 2021 calculated as per the guidelines of Reserve Bank of India is 72.70% (previous period 68.90%).
10. The Board of Directors in their meeting held on 28th May 2021 have proposed dividend of Rs. 0.50 per equity share of Rs. 2/- each for the year 2020-21, subject to necessary approvals. In accordance with AS 4, Contingencies and Events Occurring after the Balance sheet date, the proposed dividend of Rs. 3997 lakh has not been shown as an appropriation from the Profit and Loss appropriation account as on 31st March 2021. For computation of capital adequacy ratio, Bank has reduced the amount of proposed dividend for determining capital funds.



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11. Previous period's / year's figures have been re-classified / regrouped wherever considered necessary to confirm to the current period's / year's classification.

For and on behalf of Board of Directors

Place: Karur
Date: 28th May 2021



B Ramesh Babu
Managing Director & CEO



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