



Karur Vysya Bank

Smart way to bank

FCD/318/2019-20

dlc

Nov. 01, 2019

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

Dear Sirs,

Reg: Un-audited Financial Results of the Bank for the quarter / half year ended 30th September 2019.

Please find enclosed copy of the un-audited financial results for the quarter/half year ended September 30, 2019 along with a copy of the limited review report. The results were duly approved by the Board of Directors at its meeting held today.

This is for your kind information.

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/HALF YEAR ENDED 30TH 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
1. Interest earned (a+b+c+d)	153751	149253	145694	303004	289947	581582
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
2. Other Income	27773	26984	17556	54757	43043	96277
3. Total Income (1+2)	181524	176237	163250	357761	332990	677859
4. Interest Expended	94123	90856	87780	184979	173671	345300
5. Operating Expenses (i+ii)	44285	40868	39331	85153	77218	161480
(i) Employees cost	21299	20375	17266	41674	35122	76117
(ii) Other operating Expenses	22986	20493	22065	43479	42096	85363
6. Total Expenditure (excluding provisions and contingencies) (4+5)	138408	131724	127111	270132	250889	506780
7. Operating Profit before provisions and contingencies (3-6)	43116	44513	36139	87629	82101	171079
8. Provisions (other than tax) and Contingencies	36517	32997	21314	69514	63581	138855
9. Exceptional items	-	-	-	-	-	-
10. Profit from ordinary activities before tax (7-8-9)	6599	11516	14825	18115	18520	32224
11. Tax expense	266	4224	6451	4490	5555	11137
12. Net Profit from ordinary activities after tax (10-11)	6333	7292	8374	13625	12965	21087
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
14. Net Profit for the period (12-13)	6333	7292	8374	13625	12965	21087

**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.

Rue



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 30TH 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

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.

*Handwritten signature***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 30TH SEPTEMBER 2019***(Rs. in lakh)*

Particulars	As on 30-09-2019 (Unaudited)	As on 30-09-2018 (Unaudited)	As on 31-03-2019 (Audited)
Capital & Liabilities			
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
Total	7341431	6793941	6934011
Assets			
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
Total	7341431	6793941	6934011

*Re***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

**CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2019**

(Rs. in lakh)

Particulars	Period ended 30-09-2019 (Unaudited)	Period ended 30-09-2018 (Unaudited)	Year ended 31-03-2019 (Audited)
Cash Flow from Operating Activities			
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)
Operating Profit before Working Capital changes	101776	90313	189216
Changes in Working Capital			
(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
Cash Flow from/(used) in Operating activities before Tax	341096	19496	(84069)
Direct Taxes Paid	(9200)	(12600)	(20000)
Net Cash from / (used) in Operating activities	331896	6896	(104069)
Cash Flow from Investing Activities			
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
Net Cash from / (used) in Investing Activities	(150045)	(25916)	50139
Cash Flow from Financing Activities			
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 30-09-2019 (Unaudited)	Period ended 30-09-2018 (Unaudited)	Year ended 31-03-2019 (Audited)
Interest paid on TIER II Bond issued	(3635)	(742)	(1798)
Dividend paid (including Dividend Distribution Tax)	(5830)	(5284)	(5491)
Net Cash from / (used) in Financing Activities	(9459)	(6024)	(7287)
Cash Flow from / (used) in Operating Activities	331896	6896	(104069)
Cash Flow from / (used) in Investing Activities	(150045)	(25916)	50139
Cash Flow from / (used) in Financing Activities	(9459)	(6024)	(7287)
Net Increase / (Decrease) in Cash & Cash Equivalents	172392	(25044)	(61217)
Cash and Cash Equivalents at the beginning of the Year	369705	429691	430922
Cash and Cash Equivalents at the end of the Period/Year	542097	404647	369705
The above Cash Flow Statement is followed based on indirect method.			

Notes:

1. The above financial results for the quarter/half year ended 30th September 2019 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at the meeting held on 01st 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 30th September 2019 as compared to those followed in the annual financial statements for the year ended 31st 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 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.



Roe

**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 30th 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 30th 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



P R Seshadri

Managing Director & CEO



Place : Karur

Date : 01-11-2019



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 Chandiook & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013



Krishnakumar Ananthasivan
Partner
Membership No. 206229



UDIN : 19206229AAAACH5534

Place : Karur

Date : 01 November 2019