

IRC: F-56:44:875:2018

September 29, 2018

The Manager,
Bombay Stock Exchange Limited
25th Floor, P J Towers,
Dalal Street, Mumbai 400001.

Dear Sir,

Reg: RBI imposing monetary penalty on KVB.

This is to inform that the Reserve Bank of India (RBI) has vide letter dated 25th September 2018 received at our end on 28th September 2018, imposed a monetary penalty of ₹ 5 crore on the Bank for non-compliance with the directions issued by RBI on Income Recognition and Asset Classification (IRAC) norms, reporting of frauds, and on need for discipline at the time of opening of Current accounts. This is consequent to RBI's statutory inspection of the bank with reference to financial position as on March 31, 2016 and March 31, 2017. This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949.

This action was based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transactions.

Please take on record the above.

Yours faithfully,



Srinivasarao M
Company Secretary &
Asst. General Manager

THE KARUR VYSYA BANK LIMITED
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