

Annual Report 2001 - 2002

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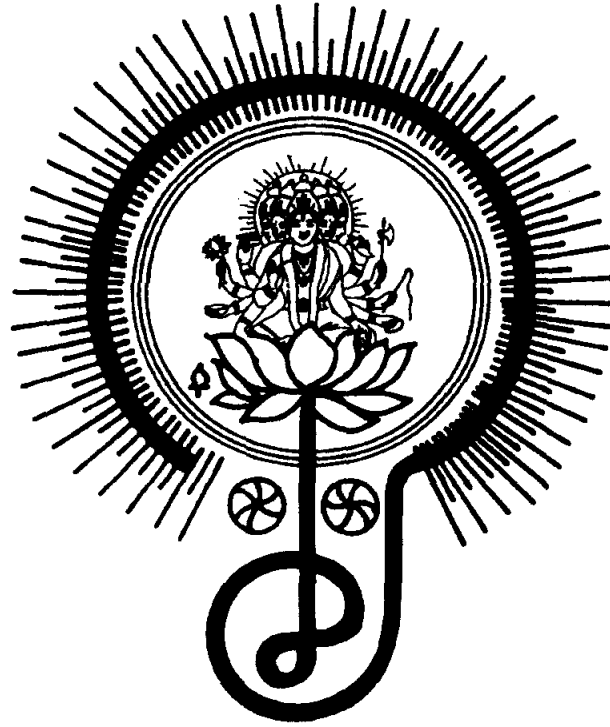


The Karur Vysya Bank Limited

The Karur Vysya Bank can be regarded as a fine example of how a medium size bank can effectively play its part in promoting regional development and in attending to the needs of small and medium entrepreneurs.

The various stakeholders of Karur Vysya Bank are pleased with the functioning of the Bank.

– His Excellency Dr.C. Rangarajan,
Governor of Andhra Pradesh
In his address at the inauguration of
'KVB Towers', Chennai.



SRI GAYATHRI DEVI

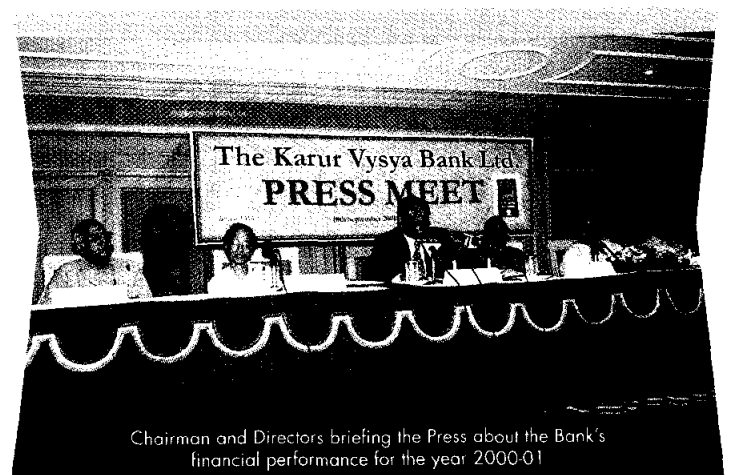
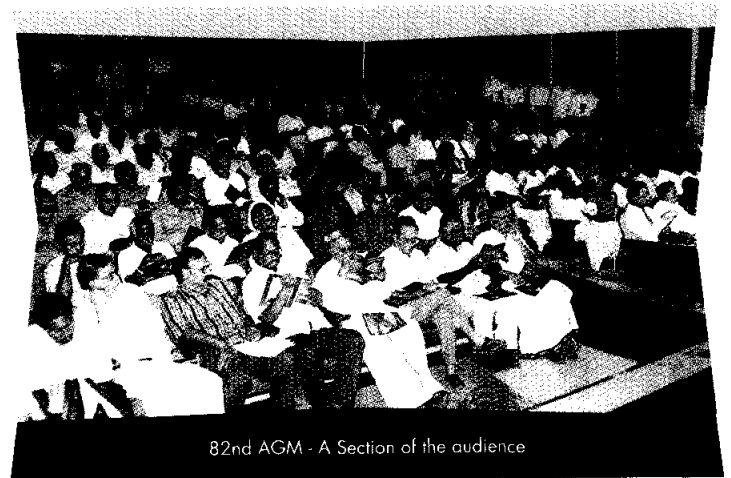
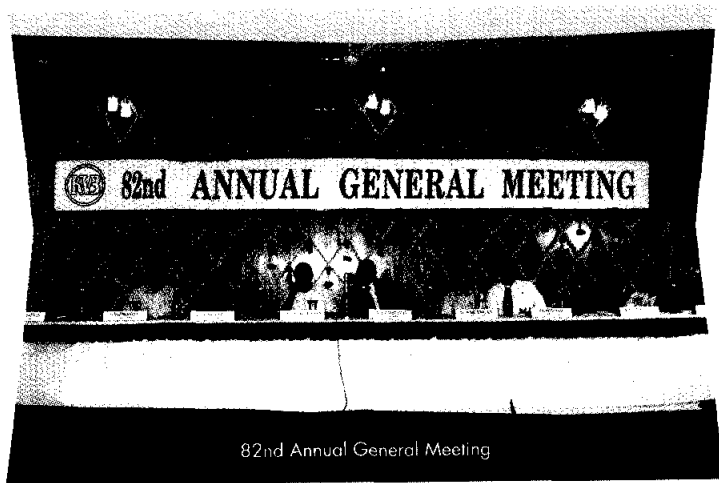
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The Karur Vysya Bank Limited

Regd. & Central Office :
Erode Road, Karur - 639 002
Website : www.kvb.co.in

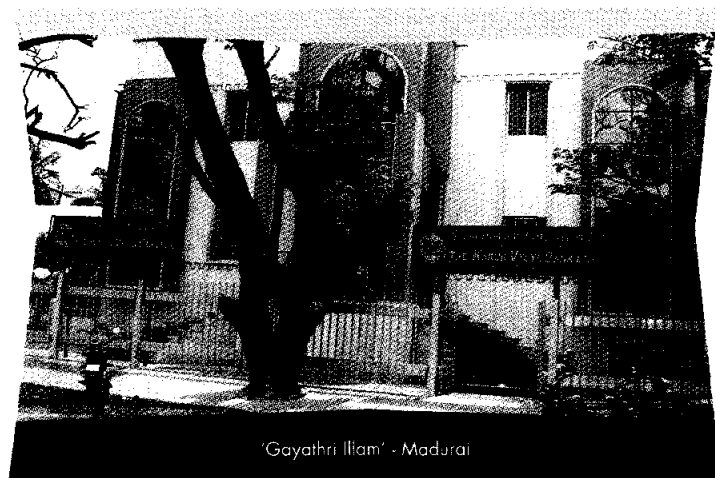
Board of Directors







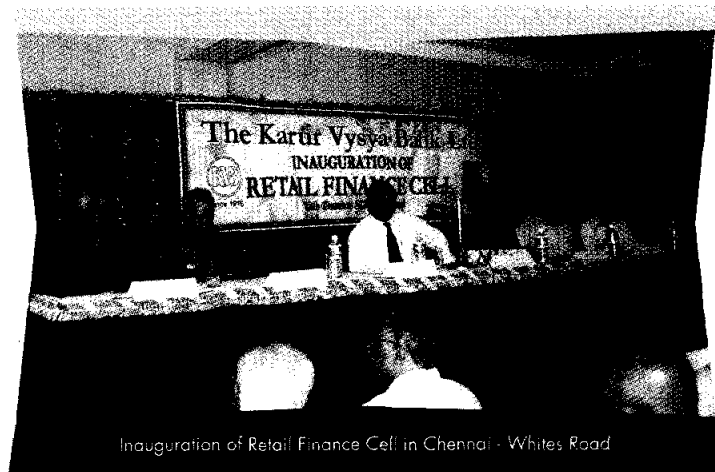
Inauguration of 'Gayathri Illam' our own premises at Madurai housing Divisional Office and Gnanalivupuram Branch



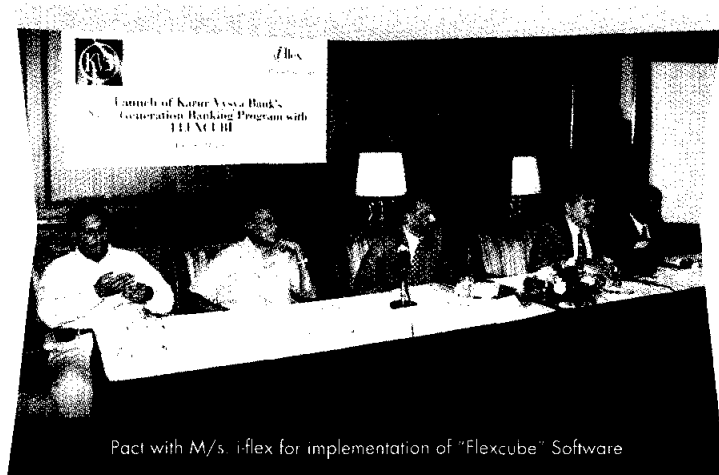
'Gayathri Illam' - Madurai



Inauguration of 'Gayathri Illam' - a section of the audience



Inauguration of Retail Finance Cell in Chennai - Whites Road



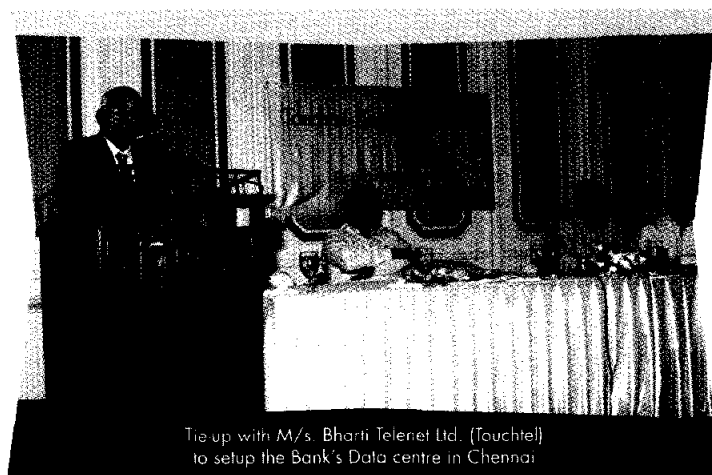
Pact with M/s. i-flex for implementation of "Flexcube" Software



Pact with M/s. i-flex for implementation of "Flexcube" Software



Launch of Online ATM Service in tie up with M/s. Financial Software Solutions Pvt. Ltd.

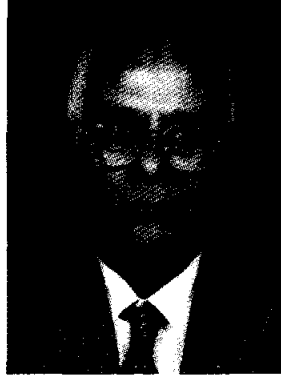


Tie up with M/s. Bharti Teleret Ltd. (Touchtel) to setup the Bank's Data centre in Chennai

BOARD OF DIRECTORS



Shri A.D. Navaneethan
M.A., LL.B., C.A.I.I.B.
Chairman
(Upto 31.05.2002)



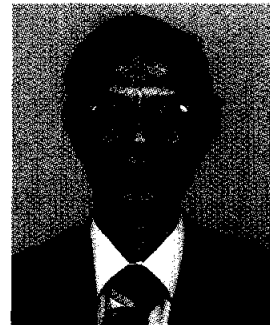
Shri P.T. Kuppaswamy
B.Com, A.C.A., A.C.S.
Chairman
(From 01.06.2002)



Shri Athi S. Janarthanan M.A.



Dr. T.R. Ramanathan
M.A., B.L., Ph.D.



Shri G. Sarangan
B.Sc. (Hons.), B.L.



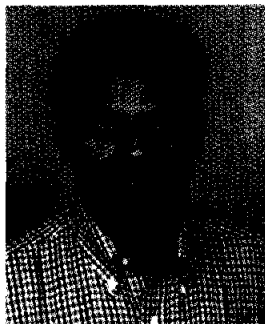
Shri M.G. Sankaranarayanan



Shri M.K. Srinivasan M.Com.



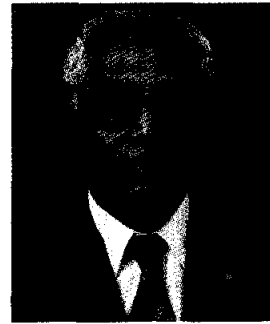
Shri G. Rajasekaran



Shri A.K. Praburaj B.Com.



Shri K. Ramadurai
B.Com., F.C.A., Grad. C.W.A.



Shri G. Venkatesam
B.A., C.A.I.I.B.



Shri N.S. Venkatarama Gupta
B.A., C.A.I.I.B.
Executive Director
(From 01.06.2002)



Shri S. Nagarajan
B.Sc., C.A.I.I.B.
General Manager

DEPUTY GENERAL MANAGERS

Shri R. Sukumar, M.Sc.

Shri V.K. Ragavan, B.Sc., B.L.

Shri S. Ramalingam, B.Sc., B.G.L., C.A.I.I.B.

ASSISTANT GENERAL MANAGERS

Shri P.L.A. Jeyaraman, B.Com., F.C.A.

Shri T. Ramachandra Shastri, M.Sc., C.A.I.I.B., F.C.I.B. (LON)

Shri V. Palanisamy, B.Sc.

Shri K. Raghavan, B.A., C.A.I.I.B.

Shri A. Ananda Nadarajan, B.Com. C.A.I.I.B.

Shri R. Sakthivelu, B.Sc., B.G.L., C.A.I.I.B.

Shri K. Venkateswara Rao, B.Sc., M.A.

Shri A.S. Vasudevan, B.Com., A.C.A.

Shri Ramesh Prabhu, M.Com.,

Shri C. Anbazhagan, B.Sc., M.B.A.

Shri J. Hariharan, M.Com., C.A.I.I.B. D.P.M.I.R.

Shri R. Jagadeesan, B.Sc., C.A.I.I.B.

Shri A.R. Ramachandran, B.Com., C.A.I.I.B.

Shri R. Ramalingam, B.Com.,

Shri T. Sivarama Prasad, B.Tech.,

Shri J.Natarajan, M.A., C.A.I.I.B.

COMPANY SECRETARY

Shri R. Venkataramana, M.Com., LL.B., C.A.I.I.B., A.C.S.

LEGAL ADVISER

Shri K.N. Shrinivasan, B.A., B.L.

AUDITORS

M/s. Balu and Swamy Associates, Chennai



The Karur Vysya Bank Ltd.

Directors' Report

Your Board of Directors are pleased to place the Bank's 83rd Annual Report along with the audited accounts for the year ended 31st March 2002. It is indeed a great pleasure for them to report to you that the Bank has posted encouraging results during 2001-2002 against many odds faced by banks, especially in the context of continued macro economic stresses. Your Directors have pleasure yet again in highlighting that the leading professional journals and financial dailies while evaluating the best among the banks based on their balance sheet performance as of 31st March 2001 have ranked your Bank as one of the top five banks in the private sector and your Bank is privileged to enjoy such a repeat and unique distinction for quite some years now.

1. BRANCH EXPANSION

The Bank has expanded its logistical presence by opening 4 more branches and upgrading 2 Extension Counters into full-fledged branches, besides rationalising certain rural branches either by shifting their location or converting to satellite offices, taking the total number of branches to 211. The Bank intends to open more branches in potential centres during the current fiscal. Work on establishing another currency chest in Madurai is in progress and with this, there will be four chests for the Bank.

2. DEPOSITS

The Bank's aggregate deposits crossed Rs.4000 crore mark and stood at Rs.4180.06 crores as on 31st March 2002 as compared with Rs. 3615.25 crores as on 31st March 2001— a growth of 15.62% as against the industry average of 14.30%. As in the past, continuous focus was given for building up strong and stable resources base with accent on low cost deposits.

3. ADVANCES

Banks had to experience the repeat of uneasy macro economic developments, during the fisc under focus, with demand for funds continuing to be deficient. Against such a backdrop, it is heartening to note that due to aggressive efforts, advances of the Bank went up by Rs.205.88 crores to touch Rs.2460.03 crores

as on 31st March 2002 as against Rs.2254.15 crores, a year ago. The Bank continued to comply with the stipulated norm that 40% of net bank credit should be extended to the priority sector borrowers. Prolonged financial distresses and strains which inevitably follow the recession and the absence of conducive climate for recovery of loans, told upon banks adversely in recovering their problem credits. Being a part of the system, the Bank could not have naturally remained insulated from such negative developments resulting in increase in the bank's problem credits.

4. INVESTMENTS

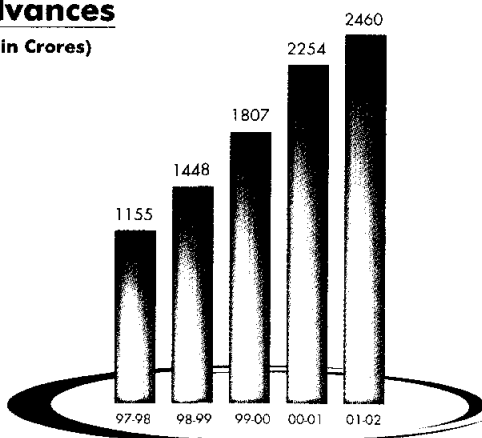
Investments of the Bank aggregated Rs.1538.91 crores as on 31st March 2002 as against Rs.1234.39 crores, a year ago registering a growth of 24.67%. Softer interest rate regime and market adversities resulted in low average yield on investments at 11.49% during the year as against 12.67%, a year ago, despite judicious management of funds. The Bank continues to comply with the regulations of the Reserve Bank of India with regard to categorisation of investments and Reserve requirements.

5. WORKING RESULTS AND APPROPRIATIONS

The total income of the Bank during the fisc under reference increased to Rs.587.01 crores as against Rs. 515.05 crores during the last corresponding period. The Gross Profit increased by 46.32% to reach a level of Rs.161.76 crores for the year as compared to Rs.110.55 crores a year ago. It is greatly encouraging to note that the net profit has crossed the magic figure of Rs.100.00 crores during the year under focus, in that the net profit increased to Rs.108.51 crores as compared with Rs.72.05 crores during the comparable period - a growth of Rs.36.46 crores or growth by 50.60%. The profit has been computed after providing for taxation and other usual and necessary provisions aggregating Rs.53.24 crores. The above profit position will be viewed as quite laudable, given the softer interest rate regime and continuous pressures on the margins experienced by banks. Adding the balance of profit of

Advances

(Rs. in Crores)



Net Profit

(Rs. in Crores)

