

OS AA01

Statement of details of parent law and other information for an overseas company



Companies House

SATURDAY



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12/09/2020

#178

COMPANIES HOUSE

✓ **What this form is for**
You may use this form to
accompany your accounts
disclosed under parent law.

✗ **What this form is NOT for**
You cannot use this form to register
an alteration of manner of compliance
with accounting requirements.

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

Part 1 Corporate company name

Corporate name of
overseas company ❶

INDUSIND BANK LIMITED

UK establishment
number

B R 0 1 1 3 1 1

→ Filling in this form

Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

❶ This is the name of the company in
its home state.

Part 2 Statement of details of parent law and other information for an overseas company

A1

Legislation

Please give the legislation under which the accounts have been prepared and,
if applicable, the legislation under which the accounts have been audited.

Legislation ❷

THE COMPANIES ACT, 2013 - INDIA

❷ This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit of accounts.

A2

Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐ No. Go to Section A3.

☒ Yes. Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3.

Name of organisation
or body ❸

ACCOUNTING STANDARDS BOARD, INDIA

❸ Please insert the name of the
appropriate accounting organisation
or body.

A3

Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box.

☐ No. Go to Section A5.

☒ Yes. Go to Section A4.


OS AA01**Statement of details of parent law and other information for an overseas company****A4****Audited accounts**

Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box. <input type="checkbox"/> No. Go to Part 3 'Signature' . <input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature' .	● Please insert the name of the appropriate accounting organisation or body.
Name of organisation or body ①	ACCOUNTING STANDARDS BOARD, INDIA	

A5**Unaudited accounts**

Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box. <input type="checkbox"/> No. <input type="checkbox"/> Yes.	
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Part 3**Signature**

I am signing this form on behalf of the overseas company.		
Signature	<div>Signature</div> <div>X  X</div>	
This form may be signed by: Director, Secretary, Permanent representative.		

OS AA01

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **MR. SHARUKH T WADIA**

Company name **INDUSIND BANK LIMITED**

Address **THE STRAND**

GOLDEN CROSS HOUSE

8 DUNCANNON STREET

Post town **LONDON**

County/Region

Postcode **W C 2 N 4 J F**

Country **UNITED KINGDOM**

DX

Telephone **02074845585**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



Important information

Please note that all this information will appear on the public record.



Where to send

You may return this form to any Companies House address:

England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

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This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

Independent Auditors' Report

To the Members of IndusInd Bank Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of IndusInd Bank Limited ("the Bank"), which comprise the Balance sheet as at March 31, 2019, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013, as amended ("the Act") in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2019, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SA) 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 Standalone Financial Statements" 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 together with the ethical requirements that are relevant to our audit of the Standalone 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2019. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Key audit matters	How our audit addressed the key audit matter
Identification of and provisioning for Non-performing advances (Refer Schedule 18 – Note 4.1 to the Standalone Financial Statements):	
Advances constitute a significant portion of the Bank's assets and the quality of these advances is measured in terms of ratio of Non-Performing Advances ("NPA") to the gross advances of the Bank. As at 31 March 2019 the Bank's net advances amount to ₹ 186,394 crores and the gross NPA ratio of the Bank is 2.10% as at March 31, 2019.	<p>The audit procedures performed, among others, included:</p> <ul style="list-style-type: none"> - Considering the Bank's policies for NPA identification and provisioning and assessing compliance with the IRAC norms. - Understanding, evaluating and testing the design and operating effectiveness of key controls (including application controls) around identification of non-performing advances based on the extant guidelines on IRAC.

Key audit matters	How our audit addressed the key audit matter
<p>The Reserve Bank of India's ("RBI") guidelines on Income recognition and asset classification ("IRAC") prescribe the prudential norms for identification and classification of NPA and the minimum provision required for such assets from time to time. The Bank is also required to apply its judgement to determine the identification and provision required against NPA by applying quantitative as well as qualitative factors.</p> <p>The provisioning for identified NPA is estimated based on ageing and classification of NPA, value of security and other qualitative factors and is subject to the minimum provisioning norms specified by RBI.</p> <p>Since the identification of NPA and provisioning for advances require significant level of estimation and given its significance to the overall audit including possible observations by RBI which could result in disclosures in the financial statements, we have ascertained identification and provisioning for NPA as a key audit matter.</p>	<ul style="list-style-type: none"> - Performing other procedures including substantive audit procedures covering the identification of NPA by the Bank. These procedures included: <ul style="list-style-type: none"> - Testing of the exception reports generated from the application systems where the advances have been recorded. - Reading the accounts reported by the Bank and other banks as Special Mention Accounts ("SMA") in RBI's central repository of information on large credits (CRILC) to identify stress. - Reading account statements and other related information of the borrowers selected based on quantitative and qualitative risk factors. - Performing inquiries with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which need to be considered as NPA. Examining the early warning reports generated by the Bank to identify stressed loan accounts. - Holding specific discussions with the management of the Bank on sectors where there is perceived credit risk and the steps taken to mitigate the risks to identified sectors. - Read the RBI Annual Financial Inspection report for the financial years 2016-17 and 2017-18 and other communication with regulators. - Read the minutes of meeting of board level committees, risk management committee, credit and NPA review committees and internal audit reports for any recorded instances of non-recognition of NPA and inadequate provisioning on NPA, than as required by the IRAC. <p>With respect to provisioning of advances, we performed the following procedures:</p> <ul style="list-style-type: none"> - Gained an understanding of the Bank's process for provisioning of advances. - Tested on a sample basis the realizable value of assets provided as security against loans classified as non-performing for determining the provision. - Tested on a sample basis the calculation performed by the management for compliance with RBI regulations and internally laid down policies for provisioning.

Key audit matters	How our audit addressed the key audit matter
Information Technology ("IT") Systems and controls:	
<p>The Bank's operations rely on multiple integrated / non-integrated IT Systems and applications. The reliability and security of IT systems plays a key role in the business operations of the Bank. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. These systems also play a key role in the financial accounting and reporting process of the Bank.</p> <p>Due to the pervasive nature and complexity of the IT environment we have ascertained IT systems and controls as a key audit matter.</p>	<ul style="list-style-type: none"> - We involved specialized IT auditors as part of the audit team for testing IT General Controls (logical access, change management and aspects of IT operations controls), application controls and IT dependent manual controls implemented by the Bank, and testing the information produced by the Bank's. - Tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. - Tested the Bank's periodic review of access rights. We inspected requests of changes to systems for approval and authorisation. - Considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. - Tested key application controls to evaluate their operating effectiveness. - Where deficiencies were identified, we tested compensating controls or performed alternate procedures.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Bank's Board of Directors is responsible for the other information. The other information received by us comprises the information included in the Basel III - Pillar 3 disclosures but does not include the financial statements and our auditor's reports thereon, which we obtained prior to the date of this auditor's report, and other elements of the Annual Report, which are expected to be made available to us after that date.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether such other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other elements of the Annual Report are expected to be made available to us after the date of this auditor's report.

When we read the other elements of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those Charged with Governance and shall comply with the relevant applicable requirements of the Standard on Audit for The Auditor's Responsibility in relation to Other Information in Documents containing Audited Financial Statements.

Responsibilities of Management and those Charged with Governance for the Standalone Financial Statements

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 in so far as they apply to the Bank and the guidelines and directions issued by the Reserve Bank of India from time to time.

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 the 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management 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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are 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 SA 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 these Standalone Financial Statements.

As part of an audit in accordance with SA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 adequate internal financial controls system in place 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 management.
- Conclude on the appropriateness of 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 standalone financial statements 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

From the matters communicated with those Charged with Governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Standalone Financial Statements of the Bank for the corresponding year ended March 31, 2018 were audited by a predecessor auditor who expressed an unmodified opinion on those financial statements vide their report dated April 19, 2018.

Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014.
2. As required sub section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - (c) The financial accounting systems of the Bank are centralised and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by the branches; we have visited 124 branches for the purpose of our audit.
3. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion, the entity being a banking company, the remuneration to whole-time directors during the year ended March 31, 2019 has been paid by the Bank in accordance with the provisions of Section 35B (1) of the Banking Regulation Act, 1949; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Schedule 12 and Schedule 18 - Note 9.4 to the financial statements;
 - ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Schedule 18 - Note 9.5 to the financial statements; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank.

For S. R. BATLIBOI & CO. LLP

Chartered Accountants

Firm's Registration No.: 301003E/E300005

per Viren H. Mehta

Partner

Membership Number: 048749

Mumbai
May 22, 2019

Annexure 1 to Independent Auditors' Report

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INDUSIND BANK LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

To the Members of IndusInd Bank Limited

We have audited the internal financial controls over financial reporting of IndusInd Bank Limited (the "Bank") as of March 31, 2019 in conjunction with our audit of the Standalone Financial Statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A bank's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A bank's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorisations of management and directors of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Viren H. Mehta**

Partner

Membership Number: 048749

Mumbai

22 May 2019

Balance Sheet as at March 31, 2019

	Schedule	As at 31.03.2019	Rupees in '000s As at 31.03.2018
CAPITAL AND LIABILITIES			
Capital	1	602,68,69	600,22,32
Employee Stock Options Outstanding	18(Note 10.2)	11,18,84	14,57,11
Reserves and Surplus	2	26072,09,81	23226,84,85
Deposits	3	194867,90,69	151639,17,43
Borrowings	4	47321,12,24	38289,07,82
Other Liabilities and Provisions	5	8944,41,55	7856,26,52
TOTAL		277819,41,82	221626,16,05
ASSETS			
Cash and Balances with Reserve Bank of India	6	9961,17,40	10962,40,60
Balances with Banks and Money at Call and Short Notice	7	4822,22,67	2253,47,14
Investments	8	59266,15,80	50076,71,74
Advances	9	186393,50,14	144953,65,76
Fixed Assets	10	1710,01,16	1338,75,31
Other Assets	11	15666,34,65	12041,15,50
TOTAL		277819,41,82	221626,16,05
Contingent Liabilities	12	952668,44,61	662099,15,62
Bills for Collection		32971,50,77	37415,47,98
Significant Accounting Policies	17		
Notes to the Financial Statements	18		

The schedules referred to above form an integral part of the Balance Sheet.

The Balance Sheet has been prepared in conformity with Form A of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date.

For INDUSIND BANK LIMITED

For S R Batliboi & Co. LLP

Chartered Accountants

Firm Registration No: 301003E/E300005

per Viren H Mehta

Partner

Membership No: 048749

R. Seshasayee

Chairman

Kanchan Chitale

Director

Arun Tiwari

Director

S. V. Zaregaonkar

Chief Financial Officer

Romesh Sobti

Managing Director

Shanker Annaswamy

Director

Siraj Chaudhry

Director

Haresh Gajwani

Company Secretary

Profit and Loss Account for the year ended March 31, 2019

	Schedule	Year ended 31.03.2019	Rupees in '000s Year ended 31.03.2018
I. INCOME			
Interest Earned	13	22261,15,05	17280,74,87
Other Income	14	5646,71,89	4750,10,33
TOTAL		27907,86,94	22030,85,20
II. EXPENDITURE			
Interest Expended	15	13414,96,68	9783,30,45
Operating Expenses	16	6404,68,36	5591,44,36
Provisions and Contingencies	18(Note 12.1)	4787,12,11	3050,11,64
TOTAL		24606,77,15	18424,86,45
III. PROFIT			
Net Profit for the year		3301,09,79	3605,98,75
Profit brought forward		9311,49,42	7118,38,07
TOTAL		12612,59,21	10724,36,82
IV. APPROPRIATIONS			
a) Transfer to Statutory Reserve		825,27,45	901,49,69
b) Transfer to Capital Reserve		39,53,24	7,61,93
c) Transfer to Investment Fluctuation Reserve Account		115,11,90	-
d) Dividend paid including tax on dividend [Refer Schedule 18 (Note 12.4)]		542,93,85	43224,16
e) Deductions during the year [Refer Schedule 18 (Note 12.5)]		(17,21,62)	71,51,62
		1505,64,82	1412,87,40
Balance carried over to the Balance Sheet		11106,94,39	9311,49,42
TOTAL		12612,59,21	10724,36,82
V. EARNINGS PER EQUITY SHARE			
(Face value of ₹10/- per share)			
Basic (₹)	18(Note 11.5)	54.90	60.19
Diluted (₹)	18(Note 11.5)	54.46	59.57
Significant Accounting Policies	17		
Notes to the Financial Statements	18		

The schedules referred to above form an integral part of the Profit and Loss Account.

The Profit and Loss Account has been prepared in conformity with Form B of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date.

For INDUSIND BANK LIMITED

For S R Batliboi & Co. LLP
Chartered Accountants
Firm Registration No: 301003E/E300005

per Viren H Mehta
Partner
Membership No: 048749

Place : Mumbai
Date : May 22, 2019

R. Seshasayee
Chairman

Kanchan Chitale
Director

Arun Tiwari
Director

S. V. Zaregaonkar
Chief Financial Officer

Romesh Sobti
Managing Director

Shanker Annaswamy
Director

Siraj Chaudhry
Director

Haresh Gajwani
Company Secretary

Cash Flow Statement for the year ended March 31, 2019

	Year ended 31.03.2019	Rupees in '000s Year ended 31.03.2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	4980,57,25	5480,67,20
Adjustments for :		
Depreciation on Fixed assets	228,85,18	211,64,34
Depreciation on Investments	173,47,21	120,86,12
Employees Stock Option expenses	30,33	1,21,34
Loan Loss and Other Provisions	2934,17,44	1054,57,07
Amortisation of premium on HTM investments	294,40,10	179,32,22
(Profit) / Loss on sale of fixed assets	1,17,50	(8,00,66)
Operating Profit before Working Capital changes	8612,95,01	7040,27,63
Adjustments for :		
(Increase)/Decrease in Advances	(44374,01,80)	(32927,72,06)
(Increase)/Decrease in Investments	(9657,31,37)	(13674,76,26)
(Increase)/Decrease in Other Assets	(2980,21,85)	(3038,10,85)
Increase/(Decrease) in Deposits	43228,73,26	25066,95,15
Increase/(Decrease) in Other Liabilities	1105,36,64	(1191,62,68)
Cash generated from / (used in) Operations	(4064,50,11)	(18724,99,07)
Direct Taxes paid (net of refunds)	(2324,44,76)	(1975,45,00)
Net Cash generated from / (used in) Operating Activities	(6388,94,87)	(20700,44,07)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including WIP)	(643,46,44)	(235,79,27)
Proceeds from sale of Fixed Assets	5,52,73	16,24,47
Net Cash used in Investing Activities	(637,93,71)	(219,54,80)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (net of issue expenses)	100,54,25	101,96,50
Proceeds from issue of Long Term Infrastructure Bonds	-	-
Dividends paid	(542,93,85)	(432,24,16)
Proceeds from Perpetual Debt instruments	1489,90,00	1000,00,00
Redemption of Sub-ordinated Tier II capital	-	-
Increase/(Decrease) in Borrowings	7542,14,42	14835,38,38
Net Cash generated from / (used in) Financing Activities	8589,64,82	15505,10,72
Effect of foreign currency translation reserve	4,76,09	2,50,47
Net Increase / (Decrease) in Cash and Cash Equivalents	1567,52,33	(5412,37,68)
Cash and Cash Equivalents at the beginning of the year	13215,87,74	18628,25,42
Cash and Cash Equivalents at the end of the year	14783,40,07	13215,87,74

Notes:

- The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements.
- Figures in bracket indicate cash outflow.
- Cash and cash equivalents comprises of Cash in Hand and Balances with RBI (Schedule 6) and Balances with Banks and Money at Call and Short Notice (Schedule 7).

As per our report of even date.

For INDUSIND BANK LIMITED

For S R Batliboi & Co. LLP

Chartered Accountants

Firm Registration No: 301003E/E300005

per Viren H Mehta

Partner

Membership No: 048749

R. Seshasayee

Chairman

Kanchan Chitale

Director

Arun Tiwari

Director

S. V. Zaregaonkar

Chief Financial Officer

Romesh Sobti

Managing Director

Shanker Annaswamy

Director

Siraj Chaudhry

Director

Haresh Gajwani

Company Secretary

Place : Mumbai

Date : May 22, 2019

Schedules

		Rupees in '000s	
		As at 31.03.2019	As at 31.03.2018
SCHEDULE - 1 CAPITAL			
Authorised Capital			
70,00,00,000 (Previous year 70,00,00,000) equity shares of ₹ 10 each		700,00,00	700,00,00
Issued, Subscribed and Called Up Capital			
60,26,86,868 (Previous year 60,02,23,187) equity shares of ₹ 10 each		602,68,69	600,22,32
Paid up Capital			
60,26,86,868 (Previous year 60,02,23,187) equity shares of ₹ 10 each [Refer Schedule 18 (Note 1.1)]		602,68,69	600,22,32
TOTAL		602,68,69	600,22,32
SCHEDULE - 2 RESERVES AND SURPLUS			
I Statutory Reserve			
Opening balance		3824,26,69	2922,77,00
Additions during the year		825,27,45	901,49,69
		4649,54,14	3824,26,69
II Share Premium Account			
Opening balance		9471,15,41	9369,42,05
Additions during the year		101,76,48	101,73,36
		9572,91,89	9471,15,41
III General Reserve			
Balance as at the end of the year		1,35,57	1,35,57
		1,35,57	1,35,57
IV Capital Reserve			
Opening balance		223,36,80	215,74,87
Additions during the year		39,53,24	7,61,93
		262,90,04	223,36,80
V Investment Allowance Reserve			
Balance as at the end of the year		1,00,00	1,00,00
		1,00,00	1,00,00
VI Investment Reserve Account			
Balance as at the end of the year		40,52,98	40,52,98
		40,52,98	40,52,98
VII Investment Fluctuation Reserve			
Opening balance		-	-
Additions during the year		115,11,90	-
		115,11,90	-
VIII Revaluation Reserve			
Opening balance		362,20,33	374,59,43
Reduction during the year (Refer Schedule 18 (Note 9.3.3))		(29,69,37)	-
Deductions during the year		(6,95,80)	(12,39,10)
		325,55,16	362,20,33
IX Foreign Currency Translation Reserve			
Opening balance		(8,52,35)	(11,02,82)
Credits during the year		4,76,09	2,50,47
		(3,76,26)	(8,52,35)
X Balance in the Profit and Loss Account			
		11106,94,39	9311,49,42
TOTAL		26072,09,81	23226,84,85

Schedules (Contd.)

		Rupees in '000s	
		As at 31.03.2019	As at 31.03.2018
SCHEDULE - 3 DEPOSITS			
A	I Demand Deposits		
	i) From Banks	597,47,82	393,92,35
	ii) From Others	28986,99,87	20447,06,25
	II Savings Bank Deposits	54485,66,51	45888,27,30
	III Term Deposits		
	i) From Banks	8781,87,79	5287,92,58
	ii) From Others	102015,88,70	79621,98,95
	TOTAL	194867,90,69	151639,17,43
B	Deposits of Branches		
	I In India	194867,90,69	151639,17,43
	II Outside India	-	-
	TOTAL	194867,90,69	151639,17,43
SCHEDULE - 4 BORROWINGS			
I	Borrowings in India		
	i) Reserve Bank of India	-	-
	ii) Other Banks	1715,54,93	757,67,53
	iii) Other Institutions and Agencies	20468,73,76	21474,02,79
	iv) Long Term Infrastructure Bonds	2000,00,00	2000,00,00
	v) Unsecured Non-Convertible Perpetual Non-Cumulative Bonds (Subordinated Additional Tier 1 Capital)	3489,90,00	2000,00,00
II	Borrowings outside India	19646,93,55	12057,37,50
	TOTAL	47321,12,24	38289,07,82
Secured borrowings other than Collateralised Borrowing and Lending Obligation and Repo Borrowings included in I above		-	-
SCHEDULE - 5 OTHER LIABILITIES AND PROVISIONS			
I	Inter-office Adjustments (Net)	274,81,49	401,44,70
II	Bills Payable	573,66,27	667,65,72
III	Interest Accrued	1184,36,65	788,20,11
IV	Others [Refer Schedule 18 (Note 4.11) for Standard Assets Provisions]	6911,57,14	5998,95,99
	TOTAL	8944,41,55	7856,26,52
SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA			
I	Cash in hand (including foreign currency notes)	964,47,15	1069,20,30
II	Balances with Reserve Bank of India		
	i) In Current Account	8996,70,25	9893,20,30
	ii) In Other Accounts	-	-
	TOTAL	9961,17,40	10962,40,60

Schedules (Contd.)

		Rupees in '000s	
		As at 31.03.2019	As at 31.03.2018
SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE			
I In India			
i) Balances with Banks			
a) In Current Accounts	650,43,54	618,43,12	
b) In Other Deposit Accounts	1954,75,00	310,25,00	
ii) Money at Call and Short Notice - With Other Institutions	-	-	
TOTAL	2605,18,54	928,68,12	
II Outside India			
i) In Current Accounts	1387,18,13	493,80,89	
ii) In Other Deposit Accounts	-	635,45,63	
iii) Money at Call and Short Notice	829,86,00	195,52,50	
TOTAL	2217,04,13	1324,79,02	
GRAND TOTAL	4822,22,67	2253,47,14	
SCHEDULE - 8 INVESTMENTS			
I In India			
Gross Value	59648,21,79	50285,30,52	
Less : Aggregate of provision / depreciation	382,05,99	208,58,78	
Net value of Investments in India	59266,15,80	50076,71,74	
Comprising :			
i) Government securities*	48644,76,19	40365,98,63	
ii) Other approved securities	-	-	
iii) Shares	129,36,45	291,93,76	
iv) Debentures and bonds	5290,03,44	4476,41,88	
v) Subsidiaries and / or Joint Ventures	0	-	
vi) Others - Security Receipts, Pass Through Certificates, Units of schemes of Mutual Funds, Venture Capital Funds and Others	5201,99,72	4942,37,47	
II Outside India	-	-	
TOTAL	59266,15,80	50076,71,74	
*Includes securities of ₹ 1,105.22 crores (previous year ₹ 274.38 crores) pledged for clearing facility and margin requirements.			
SCHEDULE - 9 ADVANCES			
A			
i) Bills Purchased and Discounted	587,37,01	4331,25,05	
ii) Cash Credits, Overdrafts and Loans Repayable on Demand	58066,82,92	43077,06,30	
iii) Term Loans	127739,30,21	97545,34,41	
TOTAL	186393,50,14	144953,65,76	
B			
i) Secured by Tangible Assets (including advances against book debts)	146489,54,88	112723,03,02	
ii) Covered by Bank / Government Guarantees (including advances against L/Cs issued by Banks)	2459,80,00	2834,42,39	
iii) Unsecured	37444,15,26	29396,20,35	
TOTAL	186393,50,14	144953,65,76	

Schedules (Contd.)

			Rupees in '000s	
			As at 31.03.2019	As at 31.03.2018
C	I	Advances in India		
	i)	Priority Sector	60348,94,68	45314,30,79
	ii)	Public Sector	6603,98,65	5090,73,31
	iii)	Banks		64,00
	iv)	Others	114893,16,77	90151,67,34
		TOTAL	181846,10,10	140557,35,44
	II	Advances Outside India	4547,40,04	4396,30,32
		TOTAL	186393,50,14	144953,65,76
SCHEDULE - 10 FIXED ASSETS				
I	Premises			
	i)	At cost, as at the beginning of the year	575,64,31	586,58,71
	ii)	Revaluation during the year	(29,69,37)	-
	iii)	Additions during the year	329,56,52	-
			875,51,46	586,58,71
	iv)	Less : Deductions during the year	1,35,71	10,94,40
	v)	Less : Depreciation to date (Refer Schedule No. 18(9.14))	91,22,68	82,15,41
		TOTAL	782,93,07	493,48,90
II	Other Fixed Assets (including furniture and fixtures)			
	i)	At cost, as at the beginning of the year	1945,09,81	1735,37,02
	ii)	Additions during the year	317,39,35	238,78,76
			2262,49,16	1974,15,78
	iii)	Less : Deductions during the year	40,14,63	29,05,97
	iv)	Less : Depreciation to date [Refer Schedule No. 18(9.14)]	1317,21,21	1125,27,62
		TOTAL	905,13,32	819,82,19
III	Capital Work in Progress		21,94,77	25,44,22
		GRAND TOTAL	1710,01,16	1338,75,31
SCHEDULE - 11 OTHER ASSETS				
I	Interest Accrued		1748,67,24	1377,69,80
II	Tax paid in advance / Tax deducted at source (net of provision)		1240,88,58	819,08,61
III	Stationery and Stamps		51,34	56,81
IV	Non-banking assets acquired in satisfaction of claims (Refer Schedule 18 (Note 12.5))		368,87,55	372,20,40
V	Others [Deferred Tax Assets (Refer Schedule 18 (Note 11.6))]		12307,39,94	9471,59,88
		TOTAL	15666,34,65	12041,15,50
SCHEDULE - 12 CONTINGENT LIABILITIES				
I	Claims against the Bank not acknowledged as debts		395,63,94	476,51,86
II	Liability on account of outstanding Forward Exchange Contracts		473430,65,55	351440,73,62
III	Liability on account of outstanding Derivative Contracts		402254,88,57	245530,75,62
IV	Guarantees given on behalf of constituents			
	- In India		49676,58,49	45380,96,66
	- Outside India		783,23,73	559,32,07
V	Acceptances, Endorsements and Other Obligations		23398,38,34	16587,23,27
VI	Other Items for which the Bank is contingently liable		2729,05,99	2123,62,52
		TOTAL	952668,44,61	662099,15,62

Schedules (Contd.)

		Rupees in '000s	
		Year ended 31.03.2019	Year ended 31.03.2018
SCHEDULE - 13 INTEREST EARNED			
I	Interest/ Discount on Advances/ Bills	18256,67,91	13699,90,54
II	Income on Investments	3677,34,05	3074,38,28
III	Interest on Balances with Reserve Bank of India and other inter-bank funds	102,02,71	321,47,51
IV	Others	225,10,38	184,98,54
	TOTAL	22261,15,05	17280,74,87
SCHEDULE - 14 OTHER INCOME			
I	Commission, Exchange and Brokerage	4072,96,41	3401,98,21
II	Profit / (Loss) on Sale of Investments (Net)	115,11,90	363,78,33
III	Profit / (Loss) on Sale of Land, Buildings and Other Assets	(1,17,50)	8,00,66
IV	Profit on exchange transactions / Derivatives (Net)	1359,31,10	921,01,58
V	Income earned by way of dividend from companies in India	33,88	30,02
VI	Miscellaneous Income	100,16,10	55,01,53
	TOTAL	5646,71,89	4750,10,33
SCHEDULE - 15 INTEREST EXPENDED			
I	Interest on Deposits	10609,04,13	8045,95,62
II	Interest on Reserve Bank of India / Inter-Bank Borrowings	611,46,53	188,28,69
III	Other Interest	2194,46,02	1549,06,14
	TOTAL	13414,96,68	9783,30,45
SCHEDULE - 16 OPERATING EXPENSES			
I	Payments to and Provisions for Employees	1853,51,34	1780,68,56
II	Rent, Taxes and Lighting (includes operating lease rentals)	408,58,52	373,02,03
III	Printing and Stationery	72,72,42	65,71,65
IV	Advertisement and Publicity	40,46,82	32,54,70
V	Depreciation on Bank's Property	228,85,18	211,64,34
VI	Directors' Fees, Allowances and Expenses	3,67,92	2,78,73
VII	Auditors' Fees and Expenses	1,96,03	2,07,36
VIII	Law Charges	67,35,21	71,57,65
IX	Postage, Telegrams, Telephones, etc.	141,56,69	130,51,15
X	Repairs and Maintenance	335,62,77	341,82,56
XI	Insurance	194,69,47	167,80,30
XII	Service Provider Fees	459,97,54	418,24,15
XIII	Other Expenditure	2595,68,45	1993,01,18
	TOTAL	6404,68,36	5591,44,36

Schedule 17 Significant accounting policies

1. General

- 1.1 IndusInd Bank Limited ('the Bank') was incorporated in 1994 under the Companies Act, 1956 and is licensed by the Reserve Bank of India (RBI) to operate as a commercial bank under the Banking Regulation Act, 1949. The Bank is publicly held and provides a wide range of banking products and financial services to corporate and retail clients besides undertaking treasury operations. The Bank operates in India including at the International Financial Service Centres in India, and does not have a branch in any foreign country.
- 1.2 The accompanying financial statements have been prepared under the historical cost convention and accrual basis of accounting except where otherwise stated, and in accordance with statutory requirements prescribed under the Banking Regulation Act 1949, circulars and guidelines issued by RBI from time to time (RBI guidelines), accounting standards referred to in Section 133 of the Companies Act, 2013 (the Act) and the relevant provisions of the Act read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act 2013 and Companies (Accounting Standard) Amendment Rules 2016 in so far as they apply to the Bank and practices prevailing within the banking industry in India.
- 1.3 The preparation of the financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Any revision to accounting estimates is recognised prospectively in current and future periods.

2. Transactions involving Foreign Exchange

- 2.1 Monetary assets and liabilities of domestic and integral foreign operations denominated in foreign currency are translated at the Balance Sheet date at the closing rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resulting gains or losses are recognised in the Profit and Loss account.
- 2.2 Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- 2.3 Both monetary and non-monetary assets and liabilities of non-integral foreign operations are translated at the Balance Sheet date at the closing rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resulting gains or losses are accumulated in the foreign currency translation reserve until disposal of the net investment in the non-integral foreign operation.
- 2.4 All foreign exchange contracts outstanding at the Balance Sheet date are re-valued on present value basis and the resulting gains or losses are recognised in the Profit and Loss account.
- 2.5 Swap Cost arising on account of foreign currency swap contracts to convert foreign currency funded liabilities and assets into rupee liabilities and assets is amortised to the Profit and Loss account under the head 'Interest - Others' over the underlying swap period.
- 2.6 Income and expenditure of domestic and integral foreign operations denominated in a foreign currency is translated at the rates of exchange prevailing on the date of the transaction. Income and expenditure of non-integral foreign operations is translated at quarterly average closing rates.
- 2.7 Contingent liabilities at the Balance Sheet date on account of outstanding forward foreign exchange contracts, guarantees, acceptances, endorsements and other obligations denominated in a foreign currency are stated at the closing rates of exchange notified by the FEDAI.

3. Investments

Significant accounting policies in accordance with RBI guidelines are as follows:

3.1 Categorisation of Investments

The Bank classifies its investment at the time of purchase into one of the following three categories:

- (i) **Held to Maturity (HTM)** – Securities acquired with the intention to hold till maturity.
- (ii) **Held for Trading (HFT)** – Securities acquired with the intention to trade.
- (iii) **Available for Sale (AFS)** – Securities which do not fall within the above two categories.

Subsequent shifting amongst the categories is done in accordance with RBI guidelines.

3.2 Classification of Investments

For the purpose of disclosure in the Balance Sheet, investments are classified under six groups viz., (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Investments in Subsidiaries and Joint Ventures, and (vi) Other Investments.

3.3 Acquisition cost

- (i) Broken period interest on debt instruments is treated as a revenue item.
- (ii) Brokerage, commission, etc. pertaining to investments, paid at the time of acquisition is charged to the Profit and Loss account.
- (iii) Cost of investments is computed based on the weighted average cost method.

3.4 Valuation of Investments

- (i) **Held to Maturity** – Each security in this category is carried at its acquisition cost. Any premium on acquisition of the security is amortised over the balance period to maturity. The amortized amount is classified under Interest earned – Income on investments (Item II of Schedule 13). The book value of the security is reduced to the extent of amount amortized during the relevant accounting period. Diminution, other than temporary, is determined and provided for each investment individually.
- (ii) **Held for Trading** – Securities are valued scrip-wise and depreciation / appreciation is aggregated for each classification. Net appreciation in each classification is ignored, while net depreciation is provided for.
- (iii) **Available for Sale** – Securities are valued scrip-wise and depreciation / appreciation is aggregated for each classification. Net appreciation in each classification is ignored, while net depreciation is provided for.
- (iv) Market value of government securities (excluding treasury bills) is determined on the basis of the prices / YTM published by Financial Benchmark India Private Limited (FBIL).
- (v) Treasury bills are valued at carrying cost, which includes discount amortised over the period to maturity.
- (vi) Fair value of other debt securities is determined based on the yield curve published by FBIL and credit spreads provided by Fixed Income Money Market and Derivatives Association (FIMMDA).
- (vii) Quoted equity shares are valued at lower of cost and the closing price on a recognised stock exchange. Unquoted equity shares are valued at their break-up value or at Re. 1 per company where the latest Balance Sheet is not available.
- (viii) Units of the schemes of mutual funds are valued at the lower of cost and Net Asset Value (NAV) provided by the respective schemes of mutual funds.

- (ix) Investments in equity shares held as long-term investments by erstwhile IndusInd Enterprises & Finance Limited and Ashok Leyland Finance Limited (since merged with the Bank) are valued at cost and classified as part of HTM category. Provision towards diminution in the value of such long-term investments is made only if the diminution in value is not temporary in the opinion of management.
 - (x) Security Receipts (SR) are valued at the lower of redemption value and NAV obtained from the Securitisation Company (SC) / Reconstruction Company (RC). In respect of significant investment in SRs backed by stressed assets sold by the Bank, the value is subject to a prudential floor considering the asset classification of the stressed assets, had they remained on the books of the Bank.
 - (xi) Purchase and sale transaction in securities are recorded under Settlement Date method of accounting, except in the case of the equity shares where Trade Date method of accounting is followed.
 - (xii) Provision for non-performing investments is made in conformity with RBI guidelines.
 - (xiii) Repurchase (Repo) and Reverse Repurchase (Reverse Repo) transactions (including transactions under Liquidity Adjustment Facility (LAF) with RBI) are accounted for as collateralised borrowing and lending respectively. On completion of the second leg of the Repo or Reverse Repo transaction, the difference between the consideration amounts is reckoned as Interest Expenditure or Income, as the case may be. Amounts outstanding in Repo and Reverse Repo account as at the Balance Sheet date is shown as part of Borrowings and Money at Call and at Short Notice respectively, and the accrued expenditure and income till the Balance Sheet date is recognised in the Profit and Loss account.
 - (xiv) In respect of the short sale transactions in Central Government dated securities, the short position is covered by outright purchase of an equivalent amount of the same security within a maximum period of three months including the day of trade. The short position is reflected as the amount received on sale in a separate account and is classified under 'Other Liabilities'. The short position is marked to market and loss, if any, is charged to the Profit and Loss account, while gain, if any, is not recognized. Profit or loss on settlement of the short position is recognized in the Profit and Loss account.
 - (xv) Profit in respect of investments sold from HTM category is included in the Profit on Sale of Investments and an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such profits) is appropriated from the Profit and Loss Appropriation account to Capital Reserve account.
 - (xvi) In the event, provisions created on account of depreciation in the AFS or HFT categories are found to be in excess of the required amount in any year, the excess is credited to the Profit and Loss account and an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such excess provisions) is appropriated to an Investment Reserve Account (IRA).

The balance in IRA account is used to meet provision on account of depreciation in AFS and HFT categories by transferring an equivalent amount to the Profit and Loss Appropriation account as and when required.
 - (xvii) Out of net profits earned during the year, transfer is made to Investment Fluctuation Reserve, for an amount not less than the lower of the (a) net profit on sale of investments during the year (b) net profit for the year less mandatory appropriations, till the balance in such Investment Fluctuation Reserve reaches a level of at least 2% of the aggregate HFT and AFS portfolio. Draw down, if any, from the Investment Fluctuation Reserve shall be in accordance with the applicable RBI guidelines.
- 3.5 Investments in unquoted units of Venture Capital Funds (VCF) and Alternative Investment Funds (AIF) are categorised under HTM category for initial period of three years and valued at cost as per RBI guidelines. Units of VCF and AIF held under AFS category, where current quotations are not available, are marked to market based on the Net Asset Value (NAV) shown by VCF or AIF as per the latest audited financials of the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at Re. 1 per VCF or AIF, as the case may be.

4. Derivatives

Derivative contracts are designated as hedging or trading and accounted for as follows:

- 4.1 The hedging contracts comprise of Forward Rate Agreements, Interest Rate Swaps, and Currency Swaps undertaken to hedge interest rate and currency risk on certain assets and liabilities. The net interest receivable or payable is accounted on an accrual basis over the life of the swaps. However, where the hedge is designated with an asset or liability that is carried at market value or lower of cost and market value, then the hedging instrument is also marked to market with the resulting gain or loss recorded as an adjustment to the market value of designated assets or liabilities.
- 4.2 The trading contracts comprise of trading in Interest Rate Swaps, Interest Rate Futures and Currency Futures. The gain or loss arising on unwinding or termination of the contracts, is accounted for in the Profit and Loss account. Trading contracts outstanding as at the Balance Sheet date are re-valued at their fair value and resulting gains or losses are recognised in the Profit and Loss account.
- 4.3 Gains or losses on the termination of hedge swaps is deferred and recognised over the shorter of the remaining life of the hedge swap or the remaining life of the underlying asset or liability.
- 4.4 Premium paid and received on currency options is accounted when due in the Profit and Loss Account.
- 4.5 Fair value of derivative is determined with reference to bid / asks quoted market price or by using valuation models. Where the fair value is calculated using valuation models, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to the present value. The valuation takes into consideration all relevant market factors (e.g. prices, interest rate, currency exchange rates, volatility, liquidity etc.). Most market parameters are either are directly observable or are implied from instrument prices. The model may perform numerical procedures in the pricing such as interpolation when input values do not directly correspond to the most actively traded market trade parameters.
- 4.6 Provisioning of overdue customer receivable on derivative contracts is made as per RBI guidelines.

5. Advances

- 5.1 Advances are classified as per RBI guidelines into standard, sub-standard, doubtful and loss assets after considering subsequent recoveries to date.
- 5.2 A general provision on standard assets is made in accordance with RBI guidelines. Such provision towards standard assets include a provision made on the standard advances of customers having Unhedged Foreign Currency Exposure (UFCE), which requires an assessment of the UFCE of a customer and estimation of the extent of loss likely to be suffered by the customer on account of the same. In respect of stressed advances which are not yet classified non-performing, contingent provisions are made prudentially. Provision made against standard assets is included in 'Other Liabilities and Provisions'.
- 5.3 Specific provisions for non-performing advances and floating provisions are made in conformity with RBI guidelines. In addition, the Bank considers accelerated provisioning based on past experience, evaluation of securities and other related factors.
- 5.4 For restructured/rescheduled assets, provision is made in accordance with the guidelines issued by RBI, which requires the diminution in the fair value of the assets to be provided at the time of restructuring. The restructured accounts are classified in accordance with RBI guidelines, including special dispensation wherever allowed.
- 5.5 Advances are disclosed in the Balance Sheet, net of specific provisions and interest suspended for non-performing advances, and floating provisions.
- 5.6 Advances exclude derecognised securitised advances, inter-bank participation certificates issued and bills rediscounted.

- 5.7 Amounts recovered during the year against bad debts written off in earlier years are recognised in the Profit and Loss account. Provision no longer considered necessary in the context of the current status of the borrower as a performing asset, are written back to the Profit and Loss account to the extent such provisions were charged to the Profit and Loss account.
- 5.8 Further to the provisions held according to the asset classification status, provision is held in accordance with RBI guidelines for individual country exposures (other than for home country exposure), where the net funded exposure of a country is one percent or more of the total assets. Provision held for country risk is included under 'Other Liabilities and Provisions'.

6. Securitisation transactions, direct assignments and other transfers

- 6.1 The Bank transfers its loan receivables both through Direct Assignment route as well as transfer to Special Purpose Vehicles ('SPV').
- 6.2 The securitization transactions are without recourse to the Bank. The transferred loans and such securitized receivables are de-recognized as and when these are sold (true sale criteria being fully met) and the consideration has been received by the Bank. Gains or losses are recognized only if the Bank surrenders the rights to the benefits specified in the loan contracts.
- 6.3 In terms of RBI guidelines, profit or premium arising on account of sale of standard assets, being the difference between the sale consideration and book value, is amortized over the life of the securities issued by the Special Purpose Vehicles (SPV). Any loss arising on account of the sale is recognized in the Profit and Loss account in the period in which the sale occurs.
- 6.4 In case of sale of non-performing assets through securitization route to Securitisation Company or Asset Reconstruction Company by way of assignment of debt against issuance of Security Receipts (SR), the recognition of sale and accounting of profit and loss thereon is done in accordance with applicable RBI guidelines. Generally, the sale is recognized at the lower of redemption value of SR and the Net Book Value (NBV) of the financial asset sold, and the surplus is recognized in the Profit and Loss Account; shortfall if any, is charged to the Profit and Loss account subject to regulatory forbearance, if any, allowed from time to time. Profit or loss realized on ultimate redemption of the SR is recognized in the Profit and Loss Account.
- 6.5 The Bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown as due from banks under advances.

7. Property, Plant and Equipment

- 7.1 Fixed assets are stated at cost (except in the case of premises which were re-valued based on values determined by approved valuers) less accumulated depreciation and impairment, if any. Cost includes incidental expenditure incurred on the assets before they are ready for intended use.
- 7.2 The appreciation on account of revaluation is credited to Revaluation Reserve. Depreciation relating to revaluation is adjusted against the Revaluation Reserve.
- 7.3 Depreciation, including amortisation of intangible assets, is provided over the useful life of the assets, pro rata for the period of use, on a straight-line method. The useful life estimates prescribed in Part C of Schedule II to the Companies Act, 2013 are generally adhered to, except in respect of asset classes where, based on technical evaluation, a different estimate of useful life is considered suitable. Pursuant to this policy, the useful life estimates in respect of the following assets are as follows:
 - (a) Computers at 3 years
 - (b) Application software and perpetual software licences at 5 years

- (c) Printers, Scanners, Routers, Switch at 5 years
- (d) ATMs at 7 years
- (e) Network cabling, Electrical Installations, Furniture and Fixtures, Other Office Machinery at 10 years.
- (f) Vehicles at 5 years
- (g) Buildings at 60 years.

The useful life of an asset class is periodically assessed taking into account various criteria such as changes in technology, changes in business environment, utility and efficacy of an asset class to meet with intended user needs, etc. Whenever there is a revision in the estimated useful life of an asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset.

- 7.4 The carrying amount of fixed assets is reviewed at the Balance Sheet date to determine if there are any indications of impairment based on internal / external factors. In case of impaired assets, the impairment loss i.e. the amount by which the carrying amount of the asset exceeds its recoverable value is charged to the Profit and Loss account to the extent the carrying amount of assets exceeds its estimated recoverable amount.

8. Revenue Recognition

- 8.1 Interest and discount income on performing assets is recognised on accrual basis. Interest and discount income on non-performing assets is recognised on realisation.
- 8.2 Interest on Government securities, debentures and other fixed income securities is recognised on a period proportion basis. Income on discounted instruments is recognised over the tenor of the instrument on a Constant Yield to Maturity method.
- 8.3 Dividend income is accounted on accrual basis when the right to receive dividend is established.
- 8.4 Commission (except for commission on Deferred Payment Guarantees which is recognised over the term on a straight line basis), Exchange and Brokerage are recognised on a transaction date and net of directly attributable expenses.
- 8.5 Fees are recognised on an accrual basis when binding obligation to recognise the fees has arisen as per agreement, except in cases where the Bank is uncertain of realisation.
- 8.6 Income from distribution of third party products is recognised on the basis of business booked.
- 8.7 The Bank in accordance with RBI circular FIDD.CO.Plan. BC.23/ 04.09.01/2015-16 dated April 7, 2016, trades in priority sector portfolio by selling or buying PSLC. There is no transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income'.

9. Operating Leases

- 9.1 Lease rental obligations in respect of assets taken on operating lease are charged to the Profit and Loss account on a straight-line basis over the lease term.
- 9.2 Assets given under leases in respect of which all the risks and benefits of ownership are effectively retained by the Bank are classified as operating leases. Lease rentals received under operating leases are recognized in the Profit and Loss account as per the terms of the contracts.

10. Employee Benefits

- 10.1 The Gratuity scheme of the Bank is a defined benefit scheme and the expense for the year is recognized on the basis of actuarial valuation at the Balance Sheet date. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that gives rise to additional unit of employee benefit entitlement and measures

each unit separately to build up the final obligation. Payment obligations under the Group Gratuity scheme are managed through purchase of appropriate policies from insurers.

- 10.2 *Provident Fund contributions, under defined benefit plan are made under trusts separately established for the purpose and the scheme administered by Regional Provident Fund Commissioner (RPFC), as applicable. The rate at which the annual interest is payable to the beneficiaries by the trusts is being administered by the government. The Bank has an obligation to make good the shortfall, if any, between the return from the investments of the trusts and the notified interest rates. Actuarial valuation of this Provident Fund interest shortfall is done as per the guidance note on Valuation of Interest Rate Guarantees on Exempt Provident Funds under AS 15 (Revised) issued by the Institute of Actuaries of India, and such shortfall, if any, is provided for.*

Provident Fund contributions, under defined contribution plan, as required by the statute made to the government provident fund or to a fund set up by the Bank and administered by a board of trustees is debited to the Profit and Loss Account when an employee renders the related service. The Bank has no further obligations.

- 10.3 Provision for compensated absences is made on the basis of actuarial valuation as at the Balance Sheet date. The actuarial valuation is carried out using the Projected Unit Credit Method.
- 10.4 Intrinsic value method is applied to account for the compensation cost of ESOP granted to the employees of the Bank. Intrinsic value is the amount by which the quoted market price of the underlying shares on the grant date exceeds the exercise price of the options. Accordingly, such compensation cost is amortized over the vesting period.

11. Segment Reporting

- 11.1 In accordance with the guidelines issued by RBI, the Bank has adopted Segment Reporting as under:

- (a) **Treasury** includes all investment portfolios, Profit / Loss on sale of Investments, Profit / Loss on foreign exchange transactions, equities, income from derivatives and money market operations. The expenses of this segment consist of interest expenses on funds borrowed from external sources as well as internal sources and depreciation / amortisation of premium on Held to Maturity category investments.
- (b) **Corporate / Wholesale Banking** includes lending to and deposits from corporate customers and identified earnings and expenses of the segment.
- (c) **Retail Banking** includes lending to and deposits from retail customers and identified earnings and expenses of the segment.
- (d) **Other Banking Operations** includes all other operations not covered under Treasury, Corporate / Wholesale Banking and Retail Banking.
- (e) **Unallocated** includes Capital and Reserves, Employee Stock Options (Grants) Outstanding and other unallocable assets, liabilities, income and expenses.

12. Debit and Credit Card reward points liability

- 12.1 The liability towards Credit Card reward points is computed based on an actuarial valuation and the liability towards Debit Card reward points is computed on the basis of management estimates considering past trends.

13. Bullion

- 13.1 The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are on a back-to-back basis and are priced to the customer based on the prevailing price quoted by the supplier and the local levies related to the consignment like customs duty, etc. The profit earned is included in commission income.
- 13.2 The Bank sells gold coins to its customers. The difference between the sale price to customers and purchase price is reflected under commission income.

14. Income-tax

- 14.1 Tax expenses comprise of current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized, in general, only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized; where there is unabsorbed depreciation and/or carry forward of losses under tax laws, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realized against future taxable income. Unrecognized deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

15. Earnings per share

- 15.1 Earnings per share is calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding as at end of the year.

16. Provisions, contingent liabilities and contingent assets

- 16.1 A provision is recognized when there is an obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- 16.2 A disclosure of contingent liability is made when there is:
- (a) A possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the bank; or
 - (b) A present obligation arising from a past event which is not recognized as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- 16.3 When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
- 16.4 Contingent assets are not recognized or disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the assets and related income are recognized in the period in which the change occurs.

17. Cash and Cash equivalents

- 17.1 Cash and cash equivalents comprises of Cash in Hand and Balances with RBI and Balances with Banks and Money at Call and Short Notice.

18. Corporate Social Responsibility

- 18.1 Expenditure incurred towards corporate social responsibility obligations in accordance with Companies Act, 2013, is recognised in the Profit and Loss Account.

Schedule 18 Notes forming part of the Financial Statements

1. Capital

1.1 Capital Issue

During the year ended March 31, 2019, 24,63,681 equity shares of ₹ 10 each fully paid (Previous year 20,74,482 equity shares of ₹ 10 each fully paid) aggregating to an amount of ₹ 100.54 crores (Previous year ₹ 101.97 crores) which includes the share capital and share premium, were allotted on various dates to the employees who exercised their stock options.

1.2 Capital Adequacy Ratio

The Bank computes Capital Adequacy Ratio as per Basel III Capital Regulations issued by RBI.

Under Basel III Capital Regulations, on an on-going basis, the Bank has to maintain a Minimum Total Capital (MTC) of 10.875% (Previous year 10.875%) including Capital Conversion Buffer (CCB) at 1.875% (Previous year 1.875%), of the total risk weighted assets (RWA). Out of the MTC, at least 7.375% (Previous year 7.375%) of RWA, which includes 1.875% (Previous year 1.875%) towards CCB, shall be from Common Equity Tier 1 (CET1) capital and at least 7.00% (Previous year 7.00%) from Tier 1 capital. The capital adequacy ratio of the Bank is set out below:

(₹ in crores)

		March 31, 2019	March 31, 2018
1.	Common Equity Tier 1 capital ratio	12.07%	13.42%
2.	Tier 1 capital ratio	13.70%	14.58%
3.	Tier 2 capital ratio	0.46%	0.45%
4.	Total Capital ratio (CRAR)	14.16%	15.03%
5.	Amount of equity capital raised	100.54	101.97
6.	Amount of Additional Tier 1 capital raised,	1,489.90	1,000.00
	of which:		
	Perpetual Non-Cumulative Preference Shares (PNCPS)	-	-
	Perpetual Debt Instruments (PDI)	1,489.90	1,000.00
7.	Amount of Tier 2 capital raised,	-	-
	of which:		
	Debt capital instruments	-	-
	Preference share capital instruments [Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]	-	-

2. Investments

2.1 Details of Investments

(₹ in crores)

	March 31, 2019	March 31, 2018
(1) Value of Investments		
(i) Gross value of Investments	59,648.22	50,285.31
(a) In India	59,648.22	50,285.31
(b) Outside India	-	-
(ii) Provisions for Depreciation	382.06	208.59
(a) In India	382.06	208.59
(b) Outside India	-	-
(iii) Net value of Investments	59,266.16	50,076.72
(a) In India	59,266.16	50,076.72
(b) Outside India	-	-
(2) Movement of provisions held towards depreciation on Investments		
(i) Opening balance	208.59	87.72
(ii) Add: Provision made during the year	173.47	120.87
(iii) Less: Write-off / (write-back) of excess provisions during the year	-	-
(iv) Closing balance	382.06	208.59

2.2 Category-wise details of Investments (Net of provision for depreciation)

(₹ in crores)

	As at March 31, 2019				As at March 31, 2018			
	HTM	AFS	HFT	Total	HTM	AFS	HFT	Total
i) Government securities	40,347.87	8,296.89	-	48,644.76	30,438.85	9,927.14	-	40,365.99
ii) Other approved securities	-	-	-	-	-	-	-	-
iii) Shares	3.75	125.62	-	129.37	4.75	287.19	-	291.94
iv) Debentures and bonds	-	5,290.03	-	5,290.03	-	4,476.42	-	4,476.42
v) Subsidiaries and/ or Joint Ventures	0	-	-	0	-	-	-	-
vi) Others - Security Receipts, Pass Through Certificates, investment in units of Mutual Funds, Commercial Paper, Venture Capital, etc.	186.80	5,015.20	-	5,202.00	99.42	4,842.95	-	4,942.37
Total	40,538.42	18,727.74	-	59,266.16	30,543.02	19,533.70	-	50,076.72

2.3 Details of Repo / Reverse Repo including Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) (in face value terms)

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Balance as at the year end
Year ended March 31, 2019				
Securities sold under repo				
i) Government Securities	118.02	3,574.47	313.97	1,840.08
ii) Corporate Debt Securities	-	-	-	-
iii) Any Other Securities	-	-	-	-
Securities purchased under reverse repo				
i) Government Securities	4.80	7,900.00	624.10	1,800.00
ii) Corporate Debt Securities	-	-	-	-
iii) Any Other Securities	-	-	-	-
Year ended March 31, 2018				
Securities sold under repo				
i) Government Securities	11.17	1,159.00	18.35	-
ii) Corporate Debt Securities	-	-	-	-
iii) Any Other Securities	-	-	-	-
Securities purchased under reverse repo				
i) Government Securities	150.00	13,300.00	2,046.83	-
ii) Corporate Debt Securities	-	-	-	-
iii) Any Other Securities	-	-	-	-

2.4 Issuer composition of Non-SLR investments as at March 31, 2019

(₹ in crores)

No.	Issuer	Amount ⁽¹⁾	Extent of private placement	Extent of 'below investment grade' securities ⁽³⁾	Extent of 'unrated' securities	Extent of 'unlisted' securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Public Sector Undertakings	328.66	229.57	-	-	-
2	Financial Institutions	658.94	658.94	-	-	-
3	Banks	3,175.41	3,175.41	-	-	-
4	Private Corporates	5,228.29	3,867.69	-	-	-
5	Subsidiaries / Joint Ventures	0	-	-	-	-
6	Others	1,612.16	1,612.16	-	2.99	-
7	Provision held towards depreciation	(382.06)	-	-	-	-
	Total	10,621.40	9,543.77	-	2.99	-

Issuer composition of Non-SLR investments as at March 31, 2018

(₹ in crores)

No.	Issuer	Amount ⁽¹⁾	Extent of private placement	Extent of 'below investment grade' securities ⁽³⁾	Extent of 'unrated' securities	Extent of 'unlisted' securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Public Sector Undertakings	338.16	338.16	-	-	-
2	Financial Institutions	883.43	883.43	-	-	-
3	Banks	2,803.28	2,803.28	-	-	-
4	Private Corporates	4,563.09	4,555.84	-	-	7.25
5	Subsidiaries / Joint Ventures	-	-	-	-	-
6	Others	1,331.36	1,331.36	-	-	-
7	Provision held towards depreciation	(208.59)	-	-	-	-
	Total	9,710.73	9,912.07	-	-	7.25

Notes:

- (1) Does not include amount of securities pledged with Central Counter Parties, viz., Clearing Corporation of India Limited, National Securities Clearing Corporation of India Limited and Multi Commodity Exchange of India Limited.
- (2) Amounts reported under columns 4, 5, 6 and 7 are not mutually exclusive.
- (3) Does not include investment in Security Receipts.

2.5 Non-performing Non-SLR investments

(₹ in crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance	28.98	2.26
Additions during the year	44.36	27.05
Reductions / Redemption during the year	0.33	0.33
Closing balance	73.01	28.98
Total provisions held	71.76	24.32

2.6 Sale / transfer from HTM category

During the year ended March 31, 2019 and year ended March 31, 2018, the value of sales and transfer of securities to/from HTM category, excluding one-time transfer of securities from HTM and sale on account of Open Market Operation (OMO), has not exceeded 5% of the book value of investments held in HTM category at the beginning of the year. As such, in line with RBI guidelines, specific disclosures on book value, market value, and provisions if any, relating to such sale and transfers are not required to be made.

3. Derivatives

3.1 Interest Rate Swaps, Forward Rate Agreements and Cross Currency Swaps:

(₹ in crores)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Notional principal of swap agreements	386,427.12	230,162.23
(ii) Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	2,740.61	1,754.93
(iii) Collateral required by the Bank upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps – With banks	76.65%	71.06%
(v) Net Fair value of the swap book	595.98	372.23

The nature and terms of Interest Rate Swaps (IRS) outstanding as on March 31, 2019 are set out below:

(₹ in crores)

Nature	No.	Notional Principal	Benchmark	Terms
Trading	7	443.96	EURIBOR	Floating Receivable vs Fixed Payable
Trading	30	426.85	EURIBOR	Fixed Receivable vs Floating Payable
Trading	27	20.49	EURIBOR	Fixed Receivable vs Floating Payable
Trading	200	27,650.75	LIBOR	Floating Receivable vs Fixed Payable
Trading	317	30,827.88	LIBOR	Fixed Receivable vs Floating Payable
Trading	32	5,878.18	LIBOR	Floating Receivable vs Floating Payable
Trading	1,707	106,011.03	MIBOR	Floating Receivable vs Fixed Payable
Trading	1,818	99,712.79	MIBOR	Fixed Receivable vs Floating Payable
Trading	607	43,895.00	MIFOR	Floating Receivable vs Fixed Payable
Trading	637	41,760.00	MIFOR	Fixed Receivable vs Floating Payable

The nature and terms of IRSs outstanding as on March 31, 2018 are set out below:

(₹ in crores)

Nature	No.	Notional Principal	Benchmark	Terms
Trading	705	51,058.89	MIBOR	Floating Receivable vs Fixed Payable
Trading	688	48,885.45	MIBOR	Fixed Receivable vs Floating Payable
Trading	402	28,850.00	MIFOR	Floating Receivable vs Fixed Payable
Trading	505	31,780.00	MIFOR	Fixed Receivable vs Floating Payable
Trading	7	511.76	EURIBOR	Floating Receivable vs Fixed Payable
Trading	21	493.77	EURIBOR	Fixed Receivable vs Floating Payable
Trading	32	30.14	EURIBOR	Fixed Receivable vs Floating Payable
Trading	161	19,233.39	LIBOR	Floating Receivable vs Fixed Payable
Trading	366	16,491.10	LIBOR	Fixed Receivable vs Floating Payable

The nature and terms of Cross Currency Swaps (CCS) outstanding as on March 31, 2019 are set out below:

(₹ in crores)

Nature	No.	Notional Principal	Benchmark	Terms
Trading	1	7.36	EURIBOR	Floating Receivable vs Fixed Payable (Cross Currency Swap)
Trading	46	8,100.55	LIBOR	Floating Receivable vs Fixed Payable (Cross Currency Swap)
Trading	3	2,002.82	LIBOR	Fixed Receivable vs Floating Payable (Coupon Only Swap)
Trading	137	6,508.23	LIBOR	Fixed Receivable vs Floating Payable (Cross Currency Swap)
Trading	14	1,301.25	LIBOR	Floating Receivable vs Floating Payable (Cross Currency Swap)
Trading	6	69.52	MIBOR	Fixed Receivable vs Floating Payable (Cross Currency Swap)
Trading	19	5,002.48	MIBOR	Floating Receivable vs Floating Payable (Cross Currency Swap)
Trading	1	414.93	MIFOR	Floating Receivable vs Floating Payable (Cross Currency Swap)
Trading	2	126.46	NA	Fixed Receivable vs Fixed Payable (Coupon Only Swap)
Trading	85	3,628.82	NA	Fixed Receivable vs Fixed Payable (Cross Currency Swap)
Trading	13	1,434.73	NA	Fixed Receivable vs Fixed Payable (Principal Only Swap)
Trading	2	81.88	NA	Floating Receivable vs Fixed Payable (Principal Only Swap)
Merchant and Cover	4	833.76	NA	Fixed Receivable vs Fixed Payable (Cross Currency Swap)
Trading	3	287.40	EURIBOR	Floating Receivable vs Floating Payable (Cross Currency Swap)

The nature and terms of CCS outstanding as on March 31, 2018 are set out below:

(₹ in crores)

Nature	No.	Notional Principal	Benchmark	Terms
Trading	1	9.70	EURIBOR	Floating Receivable vs Fixed Payable (Cross Currency Swap)
Trading	51	8,976.20	LIBOR	Floating Receivable vs Fixed Payable (Cross Currency Swap)
Trading	3	2,854.63	LIBOR	Fixed Receivable vs Floating Payable (Coupon only Swap)
Trading	178	7,846.01	LIBOR	Fixed Receivable vs Floating Payable (Cross Currency Swap)
Trading	1	153.76	LIBOR	Fixed Receivable vs Floating Payable (Principal Only Swap)
Trading	3	65.66	MIBOR	Fixed Receivable vs Floating Payable (Cross Currency Swap)
Trading	4	595.40	NA	Fixed Receivable vs Fixed Payable (Coupon Only Swap)
Trading	130	4,212.64	NA	Fixed Receivable vs Fixed Payable (Cross Currency Swap)
Trading	20	908.26	NA	Fixed Receivable vs Fixed Payable (Principal Only Swap)
Trading	3	104.99	NA	Floating Receivable vs Fixed Payable (Principal Only Swap)
Trading	3	63.90	LIBOR/LIBOR	Floating Receivable vs Floating Payable (Cross Currency Swap)
Trading	1	28.82	LIBOR/MIBOR	Floating Receivable vs Floating Payable (Cross Currency Swap)
Trading	6	1,099.32	LIBOR/MIFOR	Floating Receivable vs Floating Payable (Cross Currency Swap)
Trading	15	4,008.26	MIBOR/LIBOR	Floating Receivable vs Floating Payable (Cross Currency Swap)
Merchant and Cover	1	32.81	LIBOR	Floating Receivable vs Fixed Payable (Cross Currency Swap)
Merchant and Cover	1	25.00	LIBOR	Fixed Receivable vs Floating Payable (Cross Currency Swap)
Merchant and Cover	4	980.15	NA	Fixed Receivable vs Fixed Payable (Cross Currency Swap)
Trading	2	244.80	EURIBOR/LIBOR	Floating Receivable vs Floating Payable (Cross Currency Swap)
Trading	1	14.48	LIBOR	Fixed Receivable vs Fixed Payable (Cross Currency Swap)
Trading	1	85.91	LIBOR	Floating Receivable vs Floating Payable (Cross Currency Swap)
Trading	1	252.97	LIBOR/SOR	Floating Receivable vs Floating Payable (Cross Currency Swap)
Trading	1	264.06	SOR/LIBOR	Floating Receivable vs Floating Payable (Cross Currency Swap)

3.2 Exchange Traded Interest Rate Derivatives

The details of Exchange Traded Interest Rate Derivatives undertaken during the year ended March 31, 2019 are as below:

(₹ in crores)

Sr. No.	Particulars	Amount
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	
	a) FutureBond/717GS2028/26/07/2018	146.08
	b) FutureBond/717GS2028/30/08/2018	713.55
	c) FutureBond/717GS2028/25/10/2018	9.47
	d) FutureBond/717GS2028/31/01/2019	0.04
	e) FutureBond/717GS2028/28/03/2019	0.20
	f) FutureBond/717GS2028/25/04/2019	98.21
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31, 2019 (instrument-wise)	
	a) FutureBond/717GS2028/25/04/2019	98.21
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-
(iv)	Marked-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-

The details of Exchange Traded Interest Rate Derivatives undertaken during the year ended March 31, 2018 are as below:

(₹ in crores)

Sr. No.	Particulars	Amount
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	
	a) FutureBond/697GS2026/27/07/2017	0.04
	b) FutureBond/697GS2026/31/08/2017	18.30
	c) FutureBond/697GS2026/28/09/2017	4.04
	d) FutureBond/679GS2027/28/09/2017	56.74
	e) FutureBond/679GS2027/26/10/2017	4.00
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31, 2018 (instrument-wise)	-
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-
(iv)	Marked-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-

3.3 Risk Exposure in Derivatives

Derivatives Policy approved by the Board of Directors defines the framework for carrying out derivatives business and lays down policies and processes to measure, monitor and report risk arising from derivative transactions. The policy provides for (a) appropriate risk limits for different derivative products and (b) authority levels for review of limit breaches and to take appropriate actions in such events. As part of the Derivatives Policy, the Bank has a Product Suitability and Customer Appropriateness Policy, which is used to classify customers on the basis of their need for various derivative products and their competence in understanding such products and the attendant risks involved.

Risk Management Department of the Bank is responsible for measuring, reporting and monitoring risk arising from derivatives transactions. It functions independent of Treasury business and undertakes the following activities:

- Monitoring derivatives operations against prescribed policies and limits on a daily basis;
- Daily review of product-wise profitability and activity reports for derivatives operations;
- Daily submission of MIS and details of exceptions to the Top Management,
- Monitoring effectiveness of derivative deals identified as hedges against the terms of the hedging instruments and underlying hedged risk; and
- Review of collaterals that are generally kept as cash or cash equivalent for securing derivative transactions.

The Risk Management function applies a host of quantitative tools and methods such as Value at Risk, PV01, stop-loss limits, counterparty limits, deal size limits and overnight position limits. The Bank undertakes derivative transactions for hedging customers' exposure, hedging the Bank's own exposure, as well as for trading purposes, wherever permitted by RBI. The customers use these derivative products to hedge their forex and interest rate exposures.

The following table presents quantitative disclosures relating to Derivatives:

(₹ in crores)

Sr. No	Particulars	March 31, 2019		March 31, 2018	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
1	Derivatives (Notional Principal Amount) (Note 1)	519,058.62	356,626.92	399,637.00	197,334.49
	a) For hedging	-	-	-	-
	b) For trading	519,058.62	356,626.92	399,637.00	197,334.49
2	Marked to Market Positions (Note 2)				
	a) Asset (+)	5,279.58	2,790.58	3,260.91	1,082.20
	b) Liability (-)	(3,966.38)	(2,440.42)	(2,687.97)	(728.06)
3	Credit Exposure (Note 3)	17,939.11	6,052.65	14,400.55	3,057.53
4	Likely impact of one percentage change in interest rate (100*PV01) (Note 4)				
	a) on hedging derivatives	-	-	-	-
	b) on trading derivatives	82.02	91.73	101.56	85.13
5	Maximum and Minimum of 100*PV01 observed during the year (Note 5)				
	a) on hedging	-	-	-	-
	b) on trading				
	Maximum	108.52	108.03	102.71	88.28
	Minimum	59.04	40.01	4.82	0.36

- Note 1: Outstanding Notional principal amount of exchange traded currency future trades was ₹ 7.77 crores as at March 31, 2019 (Previous year ₹ 85.76 crores).
- Note 2: Marked to Market positions include interest accrued on the swaps.
- Note 3: Credit exposure is computed based on the current exposure method.
- Note 4: Based on the absolute value of PV01 of the derivatives outstanding as at the year end.
- Note 5: Based on the PV01 of the outstanding derivatives.
- Note 6: PV01 for Currency Derivatives and Interest Rate Derivatives are presented in absolute terms. However, aggregate of net PV01 shall remain smaller as there are opposite positions in Currency Derivatives and Interest Rate Derivatives that will get netted off.

4. Asset Quality

4.1 Non-Performing Assets

The details of movement of gross non-performing assets (NPAs), net NPAs and provisions during the year ended March 31, 2019 and the year ended March 31, 2018 are given below:

(₹ in crores)

		March 31, 2019	March 31, 2018
(i)	Net NPAs to Net Advances (%)	1.21%	0.51%
(ii)	Movement of Gross NPAs		
	a) Opening balance	1,704.91	1,054.87
	b) Additions during the year	5,386.83	3,324.55
	c) Reductions during the year		
	(i) Upgradations	273.54	292.25
	(ii) Recoveries (excluding recoveries made from upgradations)	947.81	1,599.48
	(iii) Technical/Prudential write-offs	-	-
	(iv) Write-offs other than those under (iii) above	1,922.98	782.78
	(v) Sub-total	3,144.33	2,674.51
	d) Closing balance	3,947.41	1,704.91
(iii)	Movement of Net NPAs		
	a) Opening balance	745.67	438.91
	b) Additions during the year	2,535.71	2,003.70
	c) Reductions during the year	1,033.10	1,696.94
	d) Closing balance	2,248.28	745.67
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	959.24	615.96
	b) Provisions made during the year	2,851.12	1,320.85
	c) Write-off / write back of excess provisions	2,111.23	977.57
	d) Closing balance	1,699.13	959.24

Notes:

- 1) Recoveries include sale to SC / RC.
- 2) Amounts include impact of NPAs and provisions as assessed by RBI in their Supervisory Programme for Assessment of Risk and Capital.
- 3) Advances granted to various companies and SPVs belonging to a Group in the infrastructure sector amounting to ₹ 3,004 crores (exposure to holding company of ₹ 2,000 crores and operating companies / SPVs ₹ 1,004 crores), were classified as 'Non-performing –sub-standard' and provided for, in excess of Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to the Advances Portfolio (IRAC norms) ; an accelerated provision has been made taking the provision against holding company

exposure to 70% and operating companies / SPVs to 25%; a part of the loan to the holding company has been subsequently written off as at March 31, 2019.

4.2 Provision coverage ratio

Provision coverage ratio as at March 31, 2019 is 43.04% (Previous year 56.26%).

4.3 Details of technical write-offs and recoveries made thereon

(₹ in crores)

Items	March 31, 2019	March 31, 2018
Opening balance of technical / prudential written off accounts	-	-
Add: Technical / prudential write-offs during the year	-	-
Sub-total	-	-
Less : Recoveries made from previously technical / prudential written-off accounts during the year	-	-
Closing balance of technical / prudential written-off accounts	-	-

4.4 Divergence in Asset Classification and Provisioning for NPAs

RBI vide its circular no. DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017 and DBR.BP.BC.No.32/21.04.018/2018-19 dated April 01, 2019, has directed that banks shall make suitable disclosure's, wherever either (a) the additional provisioning requirements assessed by RBI exceeds 10 percent of the reported profit before provisions and contingencies for the reference period or (b) the additional Gross NPAs identified by RBI exceed 15 percent of the published incremental Gross NPAs for the reference period, or both. Based on the criteria mentioned in RBI circular, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI Supervisory Programme for Assessment of Risk and Capital completed during the year, pertaining to the year ended March 31, 2018.

Details relating to divergence between the non-performing advances reported by the Bank, and as assessed by RBI during 2017-18 in their Supervisory Programme for Assessment of Risk and Capital pertaining to the year ended March 31, 2017 are as below:

(₹ in crores)

Sr. No.	Particulars	Amount
1.	Gross NPAs as on March 31, 2017 as reported by the Bank	1,054.87
2.	Gross NPAs as on March 31, 2017 as assessed by RBI	2,405.07
3.	Divergence in Gross NPAs (2-1) (Refer Note 1 and 2 below)	1,350.20
4.	Net NPAs as on March 31, 2017 as reported by the Bank	438.91
5.	Net NPAs as on March 31, 2017 as assessed by RBI	1,440.03
6.	Divergence in Net NPAs (5-4)	1,001.12
7.	Provisions for NPAs as on March 31, 2017 as reported by the Bank	615.96
8.	Provisions for NPAs as on March 31, 2017 as assessed by RBI	965.04
9.	Divergence in provisioning (8-7)	349.08
10.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2017	2,867.89
11.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2017 after taking into account the divergence in provisioning	2,639.62

Notes:

- 1) Out of ₹ 1,350.20 crores identified by RBI as non-performing advances, four accounts amounting to ₹ 809.50 crore were fully realised during the year ended March 31, 2018. This includes one large cement company account with an exposure of ₹ 551.70 crores that was resolved as per the resolution plan arrived at the Joint Lenders Forum. Borrower accounts with an exposure of ₹ 118.80 crore were resolved by way of sale to Asset Reconstruction Companies.
- 2) The remaining borrower accounts were classified as non-performing advances during the year ended March 31, 2018 and provided for accordingly.

4.5 Sector-wise advances

(₹ in crores)

Sr. No.	Sector	March 31, 2019			March 31, 2018		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	19,264.34	262.14	1.36%	13,011.07	174.09	1.34%
2	Advances to industries sector eligible as priority sector lending Of which: (refer note below):	5,340.14	64.41	1.21%	5,049.12	-	-
a)	Gems and Jewellery	1,063.87	-	-	1,001.99	-	-
b)	Construction (Other than Infrastructure)	17.34	-	-	21.58	-	-
c)	Infrastructure	18.80	-	-	19.64	-	-
d)	Basic Metal and Metal Products	706.82	3.00	-	-	-	-
3	Services	35,620.87	396.24	1.11%	27,212.84	284.79	1.05%
4	Personal loans	417.43	10.88	2.61%	233.95	8.72	3.73%
	Sub-total (A)	60,642.78	733.67	1.21%	45,506.98	467.60	1.03%
B	Non Priority Sector						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Industry Of which: (refer note below):	37,960.01	1,528.27	4.03%	33,654.24	494.66	1.47%
a)	Gems and Jewellery	5,202.33	104.30	2.00%	5,885.54	102.33	1.74%
b)	Construction (Other than Infrastructure)	1,107.63	2.13	0.19%	3,583.03	92.18	2.57%
c)	Infrastructure	12,813.09	1,250.42	9.76%	6,561.89	219.05	3.34%
d)	Basic Metal and Metal Products	4,985.71	0.30	0.01%	-	-	-
3	Services	78,980.07	1,412.81	1.79%	59,524.12	575.48	0.97%
4	Personal loans	10,509.77	272.66	2.59%	7,227.56	167.17	2.31%
	Sub-total (B)	1,27,449.85	3,213.74	2.52%	1,00,405.92	1,237.31	1.23%
	Total (A+B)	1,88,092.63	3,947.41	2.10%	1,45,912.90	1,704.91	1.17%

Note:

Segments contributing in excess of 10% of the Sector as at March 31, 2019 are individually listed; Basic Metal and Metal Products constituted less than 10% on March 31, 2018.

(₹ in crores)

4.6 Details of Loan Assets subjected to Restructuring as on March 31, 2019

Sr. No.	Type of Restructuring -> Asset Classification -> Details ->	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total			
		Stan Dard	Sub-Stan Dard	Doubtful	Loss	Total	Stan dard	Sub-Stan Dard	Doubtful	Loss	Total	Stan Dard	Sub-Stan Dard	Doubtful	Loss	Total	Total
1	Restructured Accounts as on 01/04/2018																
	No. of borrowers	3	-	-	-	3	2	-	-	-	2	-	-	2	-	2	7
	Amount outstanding	82.51	-	-	-	82.51	0.17	-	-	-	0.17	-	-	219.04	-	219.04	301.72
	Provision thereon	6.89	-	-	-	6.89	0.17	-	-	-	0.17	-	-	92.35	-	92.35	99.41
2	Fresh restructuring during the year																
	No. of borrowers	-	-	-	-	-	4.415	-	-	-	4.415	5	1	-	-	-	4,421
	Amount outstanding	0.16	-	-	-	0.16	169.40	-	-	-	169.40	1.59	0.23	-	-	-	171.38
	Provision thereon	-	-	-	-	-	0.21	-	-	-	0.21	0.08	0.08	33.41	-	33.41	33.70
3	Upgradation to restructured standard category during the FY																
	No. of borrowers	-1	-	-	-	-1	-	-	-	-	-	-	-	-	-	-	-1
	Amount outstanding	-38.34	-	-	-	-38.34	-	-	-	-	-	-	-	-	-	-	-38.34
	Provision thereon	-3.20	-	-	-	-3.20	-	-	-	-	-	-	-	-	-	-	-3.20
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY																
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY																
	No. of borrowers	-	-	-	-	-	-68	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-2.66	-	-	-	-	-2.66	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-0.20	-	-	-	-	-0.20	-	-	-	-	-
6	Write-offs of restructured accounts during the FY 2018-19																
	No. of borrowers	-	-	-	-	-	-561	-	-	-	-629	-	-	-1	-	-	-630
	Amount outstanding	-11.45	-	-	-	-11.45	-35.55	-	-	-	-38.21	-	-	-110.05	-	-	-159.71
	Provision thereon	-1.59	-	-	-	-1.59	-0.20	-	-	-	-0.20	-	-	-44.02	-	-	-45.81
7	Restructured Accounts as on 31/03/2019 (closing figure)																
	No. of borrowers	2	-	-	-	2	3,788	-	-	-	3,788	5	1	1	-	1	3,797
	Amount outstanding	32.88	-	-	-	32.88	131.36	-	-	-	131.36	1.59	0.23	108.99	-	108.99	275.05
	Provision thereon	2.10	-	-	-	2.10	0.18	-	-	-	0.18	-	0.08	81.74	-	81.74	84.10

- Provision includes diminution / FITL / NPA provision, wherever applicable.
- Sr. No. 2 includes loan assets restructured by the Bank on account of relief to borrowers affected by natural calamities amounting to ₹ 170.87 crores (provision ₹ 0.18 crores), and additions to existing restructured accounts amounting to ₹ 0.28 crores (provision ₹ 33.41 crores).
- Sr. No. 6 includes reductions in existing restructured accounts amounting to ₹ 141.85 crores (provision ₹ 27.95 crores) due to repayments, CDR exit, OTS, sold to ARC, and restructuring failures.
- In case of NPAs, outstanding reported is net of unrealised interest.

4.6 Details of Loan Assets subjected to Restructuring as on March 31, 2018

(₹ in crores)

Sr. No	Type of Restructuring→	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total								
		Asset Classification→		Details ↓			Stan dard	Sub- Stan dard	Doubtful	Loss	Total	Stan dard	Sub- Stan dard	Doubtful	Loss	Total	Stan dard	Sub- Stan dard	Doubtful	Loss	Total				
		No. of borrowers	Amount outstanding	Provision thereon																					
1	Restructured Accounts as on 01/04/2017					4	-	1	-	5	3	-	-	-	3	2	-	-	-	-	2	9	1	-	10
						230.57	-	31.98	-	262.55	14.40	-	-	-	14.40	205.06	-	-	-	-	205.06	450.03	31.98	-	482.01
						21.25	-	31.98	-	53.23	4.25	-	-	-	4.25	10.00	-	-	-	-	10.00	35.50	31.98	-	67.48
2	Fresh restructuring during the year					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
						3.60	-	-	-	3.60	0.02	-	-	-	0.02	-	-	-	-	-	13.98	3.62	13.98	-	17.60
						-	-	-	-	-	0.02	-	-	-	0.02	-	-	-	-	-	-	0.02	-	-	0.02
3	Upgradation to restructured standard category during the FY					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY					-1	-	1	-	-	-1	-	1	-	-	-2	-	2	-	-	-	-4	4	-	-
						-129.06	-	129.06	-	-	-14.24	-	14.24	-	-205.06	-	-348.36	-	-	-	-	-348.36	348.36	-	-
						-9.50	-	9.50	-	-	-4.09	-	4.09	-	-10.00	-	92.35	-	-	-	82.35	-23.59	105.94	-	82.35
6	Write-offs of restructured accounts during the FY 2017-18					-	-	-2	-	-2	-	-	-1	-	-1	-	-	-	-	-	-	-	-3	-	-3
						-22.60	-	-161.04	-	-183.64	-0.01	-	-14.24	-	-	-22.61	-	-	-	-	-	-22.61	-175.28	-	-197.89
						-4.86	-	-41.48	-	-46.34	-0.01	-	-4.09	-	-4.10	-	-	-	-	-	-	-4.87	-45.57	-	-50.44
7	Restructured Accounts as on 31/03/2018 (closing figure)					3	-	-	-	3	2	-	-	-	2	5	-	2	-	-	2	5	2	-	7
						82.51	-	-	-	82.51	0.17	-	-	-	0.17	-	219.04	-	-	-	219.04	82.68	219.04	-	301.72
						6.89	-	-	-	6.89	0.17	-	-	-	0.17	-	92.35	-	-	-	92.35	7.06	92.35	-	99.41

1. Provision includes diminution / FITL / NPA provision, wherever applicable.
2. Sr. No. 2 includes additions to existing restructured accounts of ₹ 17.60 crores (provision ₹ 0.02 crores).
3. Sr. No. 6 includes reductions in existing restructured accounts of ₹ 197.89 crores (provision ₹ 50.44 crores) due to repayment, CDR exit, OTS, sold to ARC, and restructuring failures.
4. In case of NPAs, outstanding reported is net of unrealised interest.

- 4.7** In accordance with the Revised Framework on Resolution of Stressed Assets issued by RBI vide a circular dated February 12, 2018, the extant instructions on resolution of stressed assets such as Framework for Revitalising Distressed Assets, Corporate Debt Restructuring Scheme, Flexible Structuring of Existing Long Term Project Loans, Strategic Debt Restructuring Scheme (SDR), Change in Ownership outside SDR, and Scheme for Sustainable Structuring of Stressed Assets (S4A) have been withdrawn. The Joint Lenders' Forum as an institutional mechanism for resolution of stressed accounts was also discontinued. However, accounts where the schemes have been implemented by then were allowed to continue, and the following details pertain to such accounts where the respective schemes have been implemented before the said circular became effective.

a) Details of cases where scheme for Sustainable Structuring of Stressed Assets (S4A) is implemented :

(₹ in crores)

No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision Held
		In Part A	In Part B	
As at March 31, 2019				
Classified as Standard	35.27	20.53	14.74	7.07
Classified as NPA	-	-	-	-
As at March 31, 2018				
Classified as Standard	35.47	20.73	14.74	7.09
Classified as NPA	-	-	-	-

b) Details of cases under Flexible Structuring of Existing Loans :

(₹ in crores)

Year ended	No. of borrowers taken up for flexibly structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring (years)	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
March 31, 2019	-	-	-	-	-
March 31, 2018	1	51.85	-	6.25	7.83

c) Details of cases under Strategic Debt Restructuring Scheme (SDR) (accounts which are currently under the stand-still period) :

As at March 31, 2019

(₹ in crores)

No. of accounts where SDR has been invoked	Amount outstanding		Amount outstanding with respect to accounts where conversion of debt to equity is pending		Amount outstanding with respect to accounts where conversion of debt to equity has taken place	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
-	-	-	-	-	-	-

As at March 31, 2018

(₹ in crores)

No. of accounts where SDR has been invoked	Amount outstanding		Amount outstanding with respect to accounts where conversion of debt to equity is pending		Amount outstanding with respect to accounts where conversion of debt to equity has taken place	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
-	-	-	-	-	-	-

- d) Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period) as at March 31, 2019: Nil (Previous year Nil)
- e) Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period) as at March 31, 2019: Nil (Previous year Nil)
- f) During the year ended March 31, 2019, no MSME account was restructured.

4.8 a) Details of financial assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for asset reconstruction :

(₹ in crores)

		March 31, 2019	March 31, 2018
1)	No. of accounts	1,252	2,892
2)	Aggregate value (net of provisions) of accounts sold to SC / RC	548.80	466.56
3)	Aggregate consideration	571.24	484.80
4)	Additional consideration realized in respect of accounts transferred in earlier years	8.07	0.30
5)	Aggregate gain / (loss) over net book value	30.51	18.54

b) Details of book value of investment in security receipts (SRs) :

(₹ in crores)

Particulars	March 31, 2019	March 31, 2018
Backed by NPAs sold by the Bank as underlying	804.28	569.54
Backed by NPAs sold by the other Banks/Financial Institutions/ Non-Banking Financial Companies as underlying	-	19.12
Total	804.28	588.66

c) **Details of Investment in Security Receipts (SRs) :**

(₹ in crores)

Particulars		As at March 31, 2019			As at March 31, 2018		
		SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
(i)	Book value of SRs backed by NPAs sold by the bank as underlying	734.94	69.34	-	504.55	64.99	-
	Provision held against (i)	186.27	36.13	-	112.86	29.50	-
(ii)	Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	-	19.12	-	-
	Provision held against (ii)	-	-	-	-	-	-
Total (i) + (ii)		734.94	69.34	-	523.67	64.99	-

(a) This does not include SRs issued by Trusts that were closed and the outstanding SRs were cancelled and written off in the books of the Bank.

(b) During current year, no SRs issued by Trusts more than 8 years ago, were written off in the books of the Bank and held in physical form with Nil value. (Previous year ₹ Nil)

4.9 During the year ended March 31, 2019, there has been no individual purchase / sale of non-performing financial assets from/ to other banks (Previous year Nil).

4.10 During the year ended March 31, 2019, there was no sale of assets through securitization except sale of assets to SC/RC (Previous year Nil).

4.11 Provision on Standard Assets

In accordance with RBI guidelines, general provision on standard assets is made at the following rates:

- (a) At 1% on standard advances to Commercial Real Estate Sector;
- (b) At 0.25% on standard direct advances to SME and Agriculture; and
- (c) At 0.40% of the balance outstanding in other standard assets.

Standard assets provision also includes additional provision made pursuant to RBI instructions including provisions towards restructured standard assets.

The provision on standard assets is included in 'Other Liabilities and Provisions – Others' in Schedule 5, and is not netted off from Advances. The amount of provision held on standard assets is as below:

(₹ in crores)

Items	March 31, 2019	March 31, 2018
Provision held for Standard Assets	819.72	738.65
[Including ₹ 52.00 crores towards Unhedged Foreign Currency Exposure of clients (Previous year ₹ 52.00 crores)]		

4.12 Unhedged Foreign Currency Exposure (UFCE) of Clients

Foreign exchange risk is the risk of loss arising out of adverse movements in foreign exchange rates affecting both on-balance sheet and off-balance sheet exposures. The forex positions that are not effectively hedged either by way of natural hedge or through derivatives/forward contracts expose a client to the risk of loss due to volatility in the forex rates. The Bank assesses the risk arising out of such UFCE of the clients at the time of credit appraisal and monitors the same at regular intervals. The provision for standard assets as of March 31, 2019, included an amount of ₹ 52.00 crores (Previous year ₹ 52.00 crores) towards UFCE. Further, capital held under Basel III Capital Regulations, as of March 31, 2019, includes an amount of ₹ 169.29 crores (Previous year ₹ 185.09 crores) on account of UFCE, computed at the applicable risk weights.

4.13 Floating provision

(₹ in crores)

Items	March 31, 2019	March 31, 2018
Opening balance	70.00	-
Provisions made during the year	-	70.00
Draw-down made during the year	-	-
Closing balance	70.00	70.00

4.14 As on March 31, 2019 and March 31, 2018, no resolution plan in respect of accounts wherein aggregate exposure of the lenders amounted to ₹ 2,000 crores or above, has been implemented in accordance with the Revised Framework on Resolution of Stressed Assets issued by RBI vide a circular dated February 12, 2018.

5. Business ratios

Ratio	March 31, 2019	March 31, 2018
i) Interest income as a percentage to working funds	9.38%	9.10%
ii) Non-interest income as a percentage to working funds	2.38%	2.50%
iii) Operating profit as a percentage to working funds	3.41%	3.50%
iv) Return on assets	1.39%	1.90%
v) Business (deposits plus gross advances) per employee (₹ in lakhs)	1,346.77	1,154.37
vi) Profit per employee (₹ in lakhs)	11.90	14.26

Notes:

- (1) Working funds are reckoned as the average of total assets as per the monthly returns in Form X filed with RBI during the year.
- (2) Return on Assets is computed with reference to average working funds.
- (3) Business per employee (deposits plus gross advances) is computed after excluding Inter-bank deposits.

6. Asset Liability Management

6.1 Maturity Pattern of certain items of Assets and Liabilities

As at March 31, 2019:

(₹ in crores)

	Deposits	Loans & Advances*	Investments	Borrowings	Foreign currency assets	Foreign currency liabilities
Day 1	923.45	856.13	-	0.51	1,016.56	84.59
2 to 7 Days	6,051.36	8,494.75	41.34	2,910.54	1,197.64	1,308.67
8 to 14 Days	5,978.91	3,710.29	-	-	1,124.46	59.49
15 to 30 Days	6,060.89	7,145.65	101.17	3,070.48	585.66	3,223.67
31 days to 2 months	8,505.78	5,528.39	702.55	5,717.72	1,754.50	147.87
Over 2 months to 3 months	14,875.82	8,686.43	2,434.36	1,970.47	2,431.07	1,400.86
Over 3 months to 6 months	14,587.96	11,241.67	2,471.41	4,018.96	1,320.18	2,705.05
Over 6 months to 1 year	42,167.18	23,006.57	6,216.97	7,231.34	1,099.66	5,654.11
Over 1 year to 3 years	27,520.15	68,294.44	5,860.11	14,283.74	797.38	8,592.58
Over 3 years to 5 years	19,323.50	24,983.41	3,037.64	3,756.86	2,392.13	3,209.64
Over 5 years to 7 years	9,854.46	7,935.38	5,559.95	791.35	821.69	1,390.85
Over 7 years to 10 years	14,341.53	6,303.75	12,670.70	3,569.15	222.01	185.28
Over 10 years to 15 years	14,292.45	9,610.43	8,263.92	-	93.11	115.45
Above 15 years	10,384.47	3,296.21	11,906.04	-	-	88.27
Total	1,94,867.91	1,89,093.50	59,266.16	47,321.12	14,856.05	28,166.38

* Loans & Advances include an amount of ₹ 2,700 crores of bills rediscounted under Bill Re-Discounting Scheme.

The above information is as provided to RBI, as per MIS for internal reporting purpose and relied upon by the auditors.

As at March 31, 2018

(₹ in crores)

	Deposits	Loans & Advances*	Investments	Borrowings	Foreign currency assets	Foreign currency liabilities
Day 1	822.35	689.17	-	0.39	1,447.10	310.95
2 to 7 Days	3,765.32	5,475.17	35.56	8,244.25	1,111.70	942.55
8 to 14 Days	5,245.91	5,510.78	1.10	-	541.80	51.52
15 to 30 Days	3,547.53	5,214.22	4.98	814.69	977.27	999.83
31 days to 2 months	9,822.62	5,495.79	282.81	814.69	1,964.65	913.71
Over 2 months to 3 months	10,345.54	6,870.29	2,379.11	-	2,962.65	97.35
Over 3 months to 6 months	9,229.09	11,999.72	2,299.77	3,032.59	1,802.97	519.02
Over 6 months to 1 year	33,352.50	19,651.62	4,716.85	3,387.75	1,245.41	3,488.70
Over 1 year to 3 years	21,765.34	49,134.46	6,652.40	15,601.25	1,492.10	9,164.52
Over 3 years to 5 years	16,017.03	15,675.57	3,665.57	1,878.08	1,962.44	1,867.55
Over 5 years to 7 years	7,838.82	6,677.20	3,958.18	942.08	263.49	998.16
Over 7 years to 10 years	11,409.27	6,674.85	7,327.46	3,573.31	366.15	159.96
Over 10 years to 15 years	11,136.65	2,977.04	9,735.89	-	-	81.54
Above 15 years	7,341.20	5,007.78	9,017.04	-	-	56.07
Total	1,51,639.17	1,47,053.66	50,076.72	38,289.08	16,137.73	19,651.43

* Loans & Advances include an amount of ₹ 2,100 crores of bills rediscounted under Bill Re-Discounting Scheme.

The above information is as provided to RBI, as per MIS for internal reporting purpose and relied upon by the auditors.

6.2 Liquidity Coverage Ratio (LCR)

Liquidity Coverage Ratio (LCR) aims to ensure that the Bank is able to maintain an adequate level of unencumbered High Quality Liquid Assets (HQLAs) to meet its liquidity needs convertible into cash under significantly severe liquidity stress scenario lasting for a 30-calendar day time horizon. LCR measures the Bank's potential to stand under combined idiosyncratic and market-wide liquidity stress condition, where the Bank experiences accelerated withdrawal of deposits from retail as well wholesale depositors, partial loss of secured funding, increase in collateral requirements and unscheduled draw down of unused credit lines.

LCR is the ratio of unencumbered HQLAs to Net Cash Outflows over the next 30 calendar days. The following table presents the minimum LCR to be maintained, in terms of RBI guidelines.

Effective from	Jan 1, 2017	Jan 1, 2018	Jan 1, 2019
Minimum LCR	80%	90%	100%

The Bank maintains HQLA in terms of Cash, unencumbered excess SLR, proportion of statutory SLR as allowed by RBI, excess statutory cash reserve and high rated corporate bonds issued by entities other than financial institutions. For the purposes of LCR computation, the Bank has considered all inflows and outflows that may have a quantifiable impact under the liquidity stress scenario.

Quantitative disclosure:

Following is the quantitative disclosures relating to LCR for the year ended March 31, 2019, wherein the amounts are average of daily positions during the quarter:

(₹ in crores)

	June 2018		September 2018		December 2018		March 2019	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)		29,741.09		32,786.20		37,104.72		39,425.68
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:								
(i) Stable deposits	4,507.26	225.36	4,669.40	233.47	4,877.34	243.87	5,406.12	270.31
(ii) Less stable deposits	32,497.88	3,249.79	33,056.86	3,305.69	36,196.45	3,619.65	41,245.19	4,124.52
3 Unsecured wholesale funding, of which:								
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	62,781.55	31,623.44	66,099.16	33,461.20	71,635.86	37,117.65	75,681.46	39,417.45
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding								
5 Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements	51,172.05	51,172.05	27,150.87	27,150.87	27,640.36	27,640.36	59,124.00	59,124.00
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	1,970.64	1,970.64	3,724.26	3,724.26	3,773.13	3,773.13	3,231.19	3,231.19
7 Other contingent funding obligations	56,888.42	2,009.54	64,193.62	2,342.26	64,983.91	2,356.08	63,933.20	2,280.68
8 Total Cash Outflows		90,250.82		70,217.75		74,750.74		108,448.15

(₹ in crores)

	June 2018		September 2018		December 2018		March 2019	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
Cash Inflows								
9 Secured lending (eg. reverse repos)	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	68,566.48	61,914.93	45,875.51	38,811.39	44,525.48	38,427.68	79,299.76	72,970.50
11 Other cash inflows	-	-	10.33	5.16	-	-	164.17	82.08
12 Total Cash Inflows		61,914.93		38,816.55		38,427.68		73,052.58
13 Total HQLA		29,741.09		32,786.20		37,104.72		39,425.68
14 Total Net Cash Outflows		28,335.89		31,401.20		36,323.06		35,395.57
15 Liquidity Coverage Ratio (%)		104.96%		104.41%		102.15%		111.39%

The above information is provided as per MIS for internal reporting purpose and relied upon by the auditors.

Following is the quantitative disclosures relating to LCR for the year ended March 31, 2018, wherein the amounts are average of daily positions during the quarter:

(₹ in crores)

		June 2017		September 2017		December 2017		March 2018	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)		29,282.27		31,189.34		27,192.33		29,805.10
	Cash Outflows								
2	Retail deposits and deposits from small business customers, of which:								
(i)	Stable deposits	4,166.26	208.31	4,234.96	211.75	4,326.15	216.31	4,410.11	220.51
(ii)	Less stable deposits	30,112.98	3,011.30	32,576.68	3,257.67	33,467.16	3,346.72	33,726.48	3,372.65
3	Unsecured wholesale funding, of which:								
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	53,626.39	30,651.01	61,506.95	33,386.14	61,228.49	31,676.92	65,395.37	34,259.98
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding		-		-		-		-
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements	19,977.34	19,977.34	12,437.81	12,437.81	24,618.94	24,618.94	36,291.31	36,291.31
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	1,382.25	1,382.25	1,862.65	1,862.65	766.52	766.52	1,924.36	1,924.36
7	Other contingent funding obligations	44,749.53	1,583.00	41,342.61	1,415.73	46,683.83	1,641.55	51,553.36	1,797.53
8	Total Cash Outflows		56,813.21		52,571.75		62,266.96		77,866.34

(₹ in crores)

		June 2017		September 2017		December 2017		March 2018	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	Cash Inflows								
9	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	26,813.60	24,574.69	27,146.48	22,900.39	37,998.32	33,609.25	55,913.65	50,616.83
11	Other cash inflows	530.52	265.26	427.47	213.73	75.74	37.87	-	-
12	Total Cash Inflows		24,839.95		23,114.12		33,647.12		50,616.83
13	Total HQLA		29,282.27		31,189.34		27,192.33		29,805.10
14	Total Net Cash Outflows		31,973.26		29,457.63		28,619.84		27,249.51
15	Liquidity Coverage Ratio (%)		91.58%		105.88%		95.01%		109.38%

The above information is provided as per MIS for internal reporting purpose and relied upon by the auditors.

7. Exposures

7.1 Exposure to Real Estate Sector:

(₹ in crores)

Particulars	March 31, 2019	March 31, 2018
(a) Direct exposure		
(i) Residential Mortgages - of which housing loans eligible for inclusion in priority sector advance ₹ 379.03 crores (Previous year ₹ 155.85 crores)	11,039.75	9,367.74
(ii) Commercial Real Estate	20,509.03	12,376.32
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures:		
Residential	-	-
Commercial Real Estate	-	-
(b) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	5,206.11	3,187.56
Total Exposure to Real Estate Sector	36,754.89	24,931.62

7.2 Exposure to Capital Market:

(₹ in crores)

Particulars	March 31, 2019	March 31, 2018
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	197.87	340.87
(ii) Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	258.45	203.07
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds, i.e. where the primary security other than shares / convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances	5,576.64	5,092.19
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	1,446.23	1,716.24
(vi) Loans sanctioned to corporates against the security of shares / bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-

Particulars	March 31, 2019	March 31, 2018
(vii) Bridge loans to companies against expected equity flows/issues	-	-
(viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Venture Capital Funds (both registered and unregistered)	186.79	99.42
(xi) Irrevocable payment commitments issued by custodian banks in favour of stock exchanges	-	-
Total Exposure to Capital Market	7,665.98	7,451.79

During the year ended March 31, 2019 and the year ended March 31, 2018, no debt has been converted to equity as a part of strategic debt restructuring which is exempt from CME limit.

7.3 Risk Category-wise exposure to country risk

(₹ in crores)

Risk category	March 31, 2019		March 31, 2018	
	Exposure (net)	Provision held	Exposure (net)	Provision held
Insignificant	3,220.82	-	3,121.26	6.35
Low	7,018.25	-	5,054.25	-
Moderate	332.13	-	208.61	-
High	525.93	-	248.86	-
Very High	295.56	-	376.03	-
Restricted	241.76	-	112.26	-
Off Credit	0.03	-	72.37	-
Total	11,634.48	-	9,193.64	6.35

7.4 Single borrower limit and Group Borrower Limit

During the year ended March 31, 2019 and year ended March 31, 2018, the Bank's credit exposures to single borrowers and group borrowers were within the prudential limits prescribed by RBI.

7.5 Unsecured advances

The Bank has not extended any project advances where the collateral is an intangible asset such as a charge over rights, licenses, authorizations, etc. (Previous year Nil). The Unsecured Advances of ₹ 37,444.15 crores (Previous year ₹ 29,396.20 crores) as disclosed in Schedule 9B (iii) are without any collateral or security.

7.6 Details of factoring exposure

The factoring exposure of the Bank as at March 31, 2019 is ₹ 138.95 crores (Previous year ₹ 46.59 crores).

8. Concentration of Deposits, Advances, Exposures and NPAs**8.1 Concentration of Deposits**

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Total Deposits of twenty largest depositors	47,378.61	36,058.36
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	24.31%	23.78%

8.2 Concentration of Advances

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Total Advances to twenty largest borrowers	44,361.94	37,343.05
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	14.58%	15.32%

Advances are computed as per the definition of Credit Exposure including derivatives as prescribed in Master Circular on Exposure Norms DBR.No.Dir.BC.12/13.03.00/2015-16 dated July 1, 2015.

8.3 Concentration of Exposures

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Total Exposure to twenty largest borrowers / customers	44,362.21	37,343.05
Percentage of Exposure of twenty largest borrowers / customers to Total Exposure of the Bank on borrowers / customers	14.07%	14.79%

Exposures are computed as per the definition in Master Circular on Exposure Norms DBR.No.Dir.BC.12/13.03.00/2015-16 dated July 1, 2015 and includes credit, derivatives and investment exposure.

8.4 Concentration of NPAs

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Total Exposure to top four NPA accounts	2,055.83	417.54

Note: The Exposure herein is Funded Exposure, net of unrealised interest.

8.5 Intra-Group Exposure

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Total amount of intra-group exposure	-	-
Total amount of top-20 intra-group exposure	-	-
Percentage of Intra Group Exposure to Total Exposure of the Bank on borrower/ Customer	-	-
Details of Breach of Limit on Intra Group exposure and Regulatory action thereon, if any	-	-

8.6 Priority Sector Lending Certificates (PSLC):

(₹ in crores)

	Year ended March 31, 2019		Year ended March 31, 2018	
	PSLC Sold	PSLC Purchased	PSLC Sold	PSLC Purchased
1) PSLC Agriculture	-	800.00	-	-
2) PSLC Small Farmers / Marginal Farmers	500.00	775.00	-	-
3) PSLC Micro Enterprises	4,525.00	-	83.00	-
4) PSLC General	7,800.00	10,575.00	900.00	1,000.00

9. Miscellaneous
9.1 Amount of Provisions for taxation during the year

(₹ in crores)

Particulars	March 31, 2019	March 31, 2018
Current tax	1,972.76	1,900.02
Incremental deferred tax asset net of deferred tax liability (Refer Note 11.6 of Schedule 18)	(293.29)	(25.33)
Total	1,679.47	1,874.69

9.2 Penalties imposed by RBI

During the year ended March 31, 2019, RBI imposed a penalty of ₹ 1.00 crore for non-compliance with direction issued in respect of time-bound implementation and strengthening of SWIFT-related operational controls in exercise of powers vested under Section 47(A)(1)(c) read with section 46(4)(i) of the Banking Regulation Act, 1949. This penalty was duly paid by the Bank.

During the year ended March 31, 2018, RBI imposed a penalty of ₹ 3.00 crores for non-adherence to Income Recognition and Asset Classification norms and regulatory restriction pertaining to non-fund based facilities in exercise of powers vested under Section 47(A)(1)(c) read with section 46(4) of the Banking Regulation Act, 1949. This penalty was duly paid by the Bank.

9.3 Fixed Assets

- 9.3.1** Cost of premises includes ₹ 4.09 crores (Previous year ₹ 4.09 crores) in respect of properties for which execution of documents and registration formalities are in progress. Of these properties, the Bank has not obtained full possession of one property having written down value of ₹ 1.48 crores (Previous year ₹ 1.51 crores) and has filed a suit for the same.

9.3.2 Computer software

The movement in fixed assets capitalized as computer software is given below:

(₹ in crores)

Particulars	March 31, 2019	March 31, 2018
At cost at the beginning of the year	389.71	338.52
Addition during the year	78.01	51.19
Deduction during the year	0.03	-
Accumulated depreciation as at the end of the year	315.74	260.50
Closing balance as at the end of the year	151.95	129.21
Depreciation charge for the year	55.27	53.24

- 9.3.3** Premises owned by the Bank were revalued as at March 31, 2019 in accordance with Bank's policy and an amount of ₹ 29.69 crores (Previous year Nil) was debited to Revaluation Reserve Account.

9.4 Contingent Liabilities

The Bank's pending litigations include claims against the Bank by clients and counterparties and proceedings pending with tax authorities. The Bank has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required, and disclosed as contingent liabilities where applicable. Claims against the Bank not acknowledged as debts comprise of tax demands of ₹ 89.41 crores (Previous year ₹ 176.28 crores) in respect of which the Bank is in appeal, and legal cases sub judice of ₹ 306.22 crores (Previous year ₹ 300.24 crores). The Bank carries a provision of ₹ 4.52 crores (Previous year ₹ 4.52 crores) against cases sub judice. The amount of contingent liabilities is based on management's estimate, and it is not probable that any liability is expected to arise out of the same.

The Judgment of the Hon'ble Supreme Court dated February 28, 2019, in the matter of The Regional Provident Fund Commissioner (II) West Bengal vs. Vivekananda Vidyamandir and Ors sets out principles for computation of contribution towards Provident Fund where "basic wage" includes all emoluments paid to an employee as per the terms of his/ her contract of employment. The Judgment has also laid down the standards applicable to determine "basic wage" as that amount that is payable to all employees uniformly and is to be included within the definition of "basic wage". A review petition against this decision has been filed and is pending before the SC for disposal. Since there are no other directions from the EPFO and pending decision of the review petition on the subject, no liability is currently ascertainable and consequently no effect has been given in the financial statement.

- 9.5** The Bank has a process to assess periodically all long term contracts (including derivative contracts), for material foreseeable losses. At the year end, the Bank has reviewed and adequate provision as required under any law or an accounting standard for material foreseeable losses on such long term contracts (including derivative contracts), has been made.

9.6 Overseas Asset, NPAs and Revenue

During the year, the Bank earned a revenue of ₹ 305.53 crores through overseas assets (Previous year ₹ 116.78 crores). The overseas assets as at March 31, 2019 amounted to ₹ 4,547.40 crores (Previous year ₹ 4,396.30 crores) and there were no NPAs (Previous year Nil). Assets for this purpose is defined to include client advances.

- 9.7** The Bank does not have any Off-Balance Sheet SPVs which are required to be consolidated as per accounting standards (Previous year Nil).

9.8 Transfers to Depositor Education and Awareness Fund (DEAF):

(₹ in crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance of amounts transferred to DEAF	23.63	18.95
Add: Amounts transferred to DEAF during the year	5.92	5.10
Less: Amounts reimbursed by DEAF towards claims	0.49	0.42
Closing balance of amounts transferred to DEAF	29.06	23.63

- 9.9** There is no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Bank (Previous year Nil).

9.10 Corporate Social Responsibility (CSR)

During the year, the Bank has spent an amount of ₹ 55.46 crores (Previous year ₹ 20.47 crores) towards CSR initiatives through various projects in the areas of Environment (Watershed Development, Afforestation, Lake/Pond Rejuvenation), Education, Rural Development and Inclusiveness, Preventive Healthcare and Sports. Of the total CSR spends, no amount was incurred towards capital expenditure (Previous year ₹ 0.13 crores).

9.11 Drawdown from Reserves

During the year ended March 31, 2019 and year ended March 31, 2018, the Bank did not draw down from the reserves (refer note 12.5 of Schedule 18).

9.12 Credit Default Swaps

The Bank has not undertaken any transactions in Credit Default Swaps (CDS) during the year ended March 31, 2019 (Previous year Nil).

- 9.13** On October 14, 2017, the Board of Directors of the Bank and Bharat Financial Inclusion Limited (BFIL), at their respective meetings, approved a merger of BFIL with the Bank in an all-stock transaction through a Composite Scheme of Arrangement (Scheme). The Competition Commission of India has approved the proposed Scheme and RBI has conveyed their 'No Objection' for the Scheme and an approval for incorporating a Wholly-Owned-Subsidiary to act as Business Correspondent of the Bank. The Scheme has received 'no adverse remarks' from the National Stock Exchange of India Limited and BSE Limited, basis the comments received from the Securities and Exchange Board of India. For the purposes of implementing the Scheme, IndusInd Financial Inclusion Limited (IFIL) has been incorporated on August 06, 2018 as a wholly owned subsidiary of the Bank. Pursuant to an order of National Company Law Tribunal (NCLT), the following meetings were convened: (a) shareholders' meeting of the Bank, on December 11, 2018; (b) shareholders' meeting and creditors' meetings of BFIL, on December 11, 2018; and (c) shareholders' meeting of IFIL, on December 7, 2018. The shareholders and creditors of the Bank, BFIL and IFIL, as applicable, have approved the Scheme at the aforesaid meetings. The petition filed with NCLT to sanction the Scheme was heard on April 23, 2019 and the matter was reserved by the NCLT for final order. Accordingly, the proposed Scheme has not been given effect to in the standalone profit for the year ended March 31, 2019 or the standalone balance sheet as at that date.

9.14 Movement in depreciation of Fixed Assets

(₹ in crores)

Depreciation	2018-19	2017-18
Premises		
At the beginning of the year	82.15	74.96
Transferred from Revaluation Reserve	6.03	6.13
Charge for the year	3.25	2.05
Deduction during the year	0.20	0.99
Depreciation to date	91.23	82.15
Other Fixed Assets		
At the beginning of the year	1,125.28	940.21
Charge for the year	225.60	209.59
Deduction during the year	33.67	24.52
Depreciation to date	1,317.21	1,125.28

9.15 Bancassurance business

Commission, Exchange and Brokerage in Schedule 14 include the following fees earned on Bancassurance business:

(₹ in crores)

Particulars	Year ended March 2019	Year ended March 2018
For selling life insurance policies	121.32	93.60
For selling non-life insurance policies	99.78	96.10
For selling mutual fund products	85.96	155.28
Others	-	-
Total	307.06	344.98

10. Employee Stock Option Scheme (ESOS)

- 10.1** The shareholders of the Bank approved Employee Stock Option Scheme (ESOS 2007) on September 18, 2007. ESOS enables the Board and the Compensation Committee to grant such number of stock options of the Bank not exceeding 7% of the aggregate number of issued and paid up equity shares of the Bank, in line with the guidelines issued by the SEBI. The options vest within a maximum period of five years from the date of grant of option. The exercise price for each grant is decided by the Compensation Committee, which is normally based on the latest available closing price. Upon vesting, the options have to be exercised within a maximum period of five years. The stock options are equity settled where the employees will receive one equity share per stock option.

Pursuant to the ESOS 2007 scheme, the Compensation Committee of the Bank has granted 4,18,91,300 options as set out below:

Sr. No	Date of grant	2018-19		2017-18	
		No of options	Range of exercise price (₹)	No of options	Range of exercise price (₹)
1.	18-Jul-08	1,21,65,000	48.00 - 50.60	1,21,65,000	48.00 - 50.60
2.	17-Dec-08	34,56,000	38.95	34,56,000	38.95
3.	05-May-09	8,15,500	44.00	8,15,500	44.00
4.	31-Aug-09	3,18,500	100.05	3,18,500	100.05
5.	28-Jan-10	7,47,000	48.00 - 140.15	7,47,000	48.00 - 140.15
6.	28-Jun-10	13,57,450	196.50	13,57,450	196.50
7.	14-Sep-10	73,500	236.20	73,500	236.20
8.	26-Oct-10	1,43,500	274.80	1,43,500	274.80
9.	17-Jan-11	25,00,000	228.70	25,00,000	228.70
10.	07-Feb-11	20,49,000	95.45 - 220.45	20,49,000	95.45 - 220.45
11.	24-Jun-11	21,54,750	253.60	21,54,750	253.60
12.	16-Aug-11	89,500	254.90	89,500	254.90
13.	30-Sep-11	2,61,000	262.25	2,61,000	262.25
14.	21-Dec-11	9,20,000	231.95	9,20,000	231.95
15.	29-Feb-12	1,95,000	304.05	1,95,000	304.05
16.	19-Apr-12	1,40,500	345.60	1,40,500	345.60
17.	25-May-12	1,34,500	304.55	1,34,500	304.55
18.	10-Jul-12	2,67,000	343.25	2,67,000	343.25
19.	29-Aug-12	1,14,000	319.05	1,14,000	319.05
20.	10-Oct-12	23,500	365.75	23,500	365.75
21.	09-Jan-13	30,000	433.75	30,000	433.75
22.	18-Apr-13	12,500	419.60	12,500	419.60
23.	20-Jun-13	1,75,000	478.45	1,75,000	478.45
24.	18-Jul-13	18,35,000	453.90	18,35,000	453.90
25.	23-Sep-13	75,000	411.50	75,000	411.50
26.	29-Oct-13	22,000	412.25	22,000	412.25
27.	29-Jan-14	7,67,500	300.00 - 389.85	7,67,500	300.00 - 389.85
28.	25-Mar-14	1,76,500	490.30	1,76,500	490.30
29.	15-May-14	65,500	537.05	65,500	537.05
30.	02-Jun-14	32,69,500	533.95	32,69,500	533.95
31.	09-Jul-14	33,000	551.10	33,000	551.10
32.	13-Oct-14	74,500	623.25	74,500	623.25
33.	17-Jan-15	47,500	831.85	47,500	831.85

Sr. No	Date of grant	2018-19		2017-18	
		No of options	Range of exercise price (₹)	No of options	Range of exercise price (₹)
34.	23-Feb-15	48,000	876.80	48,000	876.80
35.	30-Mar-15	11,000	880.75	11,000	880.75
36.	22-May-15	52,600	848.20	52,600	848.20
37.	24-Jul-15	16,30,000	949.80	16,30,000	949.80
38.	21-Sep-15	1,93,000	918.65	1,93,000	918.65
39.	04-Nov-15	93,500	911.85	93,500	911.85
40.	12-Jan-16	10,33,500	886.75 – 936.75	10,33,500	886.75 – 936.75
41.	12-May-16	13,500	1,053.75	13,500	1,053.75
42.	11-Jul-16	25,000	1,126.70	25,000	1,126.70
43.	23-Aug-16	2,76,000	1,186.75	2,76,000	1,186.75
44.	10-Oct-16	18,51,000	1,220.85	18,51,000	1,220.85
45.	16-Nov-16	33,500	1,093.10	33,500	1,093.10
46.	27-Jan-17	21,500	1,265.40	21,500	1,265.40
47.	24-Mar-17	49,000	1,383.90	49,000	1,383.90
48.	19-Apr-17	16,000	1,431.75	16,000	1,431.75
49.	09-May-17	69,000	1,424.85	69,000	1,424.85
50.	19-Jun-17	38,500	1,498.90	38,500	1,498.90
51.	11-Jul-17	35,000	1,560.35	35,000	1,560.35
52.	12-Oct-17	69,000	1,717.25	69,000	1,717.25
53.	11-Jan-18	43,000	1,734.10	43,000	1,734.10
54.	27-Mar-18	15,23,000	1,759.75	15,23,000	1,759.75
55.	08-May-18	64,000	1,889.80		
56.	28-Sep-18	1,09,000	1,682.00		
57.	20-Mar-19	85,000	1,725.20		

10.2 Recognition of expense

The Bank follows the intrinsic value method to recognize employee costs relating to ESOS, in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the ICAI. Excess of fair market price over the exercise price of an option at the grant date, is recognized as a deferred compensation cost and amortized on a straight-line basis over the vesting period of such options. The compensation so recognised in respect of which exercise of options is outstanding, is shown as Employee Stock Options Outstanding on the face of the Balance Sheet.

The fair market price is the latest closing price prior to the date of the meeting of the Compensation Committee in which stock options are granted, available on the stock exchange on which the shares of the Bank are listed. Since shares are listed on more than one stock exchange, the exchange where the Bank's shares have been traded highest on the said date is considered for this purpose.

10.3 Stock option activity under the scheme is set out below:

	2018-19		2017-18	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	1,13,16,874	854.18	1,17,32,111	657.14
Granted during the year	2,58,000	1,747.78	17,93,500	1,732.20
Forfeited / surrendered during the year	1,24,610	1,591.98	1,31,275	985.11
Exercised during the year	24,63,681	408.10	20,74,482	491.52
Expired during the year	2,310	253.60	2,980	253.41
Outstanding at the end of the year	89,84,273	992.08	1,13,16,874	854.18
Options exercisable at the end of the year	68,40,698	816.40	71,11,745	548.15

The weighted average price of options exercised during the year is ₹ 1,554.61 (Previous year ₹ 1,626.08).

Following table summarizes the information about stock options outstanding as at March 31, 2019:

Date of grant	2018-19			2017-18		
	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)
28-Jan-10 A				48.00	4,00,000	0.84
28-Jun-10				196.50	18,662	0.24
17-Jan-11	228.70	1,70,000	-	228.70	8,40,000	0.82
07-Feb-11 A				220.45	1,07,500	0.86
24-Jun-11	253.60	17,620	0.23	253.60	61,333	0.88
21-Dec-11	231.95	2,53,000	0.73	231.95	4,03,000	1.36
29-Feb-12	304.05	34,000	0.92	304.05	67,000	1.43
19-Apr-12	345.60	29,000	1.05	345.60	39,500	1.70
25-May-12	304.55	3,093	1.15	304.55	5,675	1.16
10-Jul-12	343.25	1,47,400	1.28	343.25	1,47,400	1.79
10-Oct-12	365.75	2,700	1.53	365.75	3,750	1.88
20-Jun-13	478.45	27,000	2.22	478.45	28,500	3.12
18-Jul-13	453.90	1,46,480	2.30	453.90	2,50,630	2.60
23-Sep-13	411.50	10,000	2.48	411.50	10,000	2.49
29-Oct-13	412.25	2,560	2.58	412.25	3,560	3.58
29-Jan-14	389.85	2,030	2.84	389.85	9,100	3.40
29-Jan-14 A	300.00	7,00,000	2.84	300.00	7,00,000	2.84
25-Mar-14	490.30	1,25,000	2.99	490.30	1,25,510	3.00
15-May-14	537.05	3,000	3.13	537.05	8,765	3.58
02-Jun-14	533.95	13,66,510	3.18	533.95	18,08,320	3.30
09-Jul-14	551.10	1,700	3.28	551.10	1,700	4.28
13-Oct-14	623.25	20,100	3.54	623.25	23,865	3.72

Date of grant	2018-19			2017-18		
	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)
17-Jan-15	831.85	37,000	3.80	831.85	38,150	3.84
23-Feb-15	876.80	1,040	3.90	876.80	1,040	4.56
30-Mar-15	880.75	8,380	4.00	880.75	9,000	4.01
22-May-15	848.20	5,000	4.15	848.20	41,114	4.27
24-Jul-15	949.80	7,85,210	4.32	949.80	10,97,095	4.50
21-Sep-15	918.65	11,000	4.48	918.65	70,760	5.27
04-Nov-15	911.85	58,580	4.60	911.85	61,040	4.68
12-Jan-16	936.75	2,345	4.79	936.75	3,500	4.80
12-Jan-16	886.75	10,00,000	4.79	886.75	10,00,000	4.80
12-May-16	1,053.75	3,275	5.12	1,053.75	8,510	5.25
11-Jul-16	1,126.70	16,890	5.28	1,126.70	22,420	5.41
23-Aug-16	1,186.75	1,99,180	5.40	1,186.75	2,04,340	5.65
10-Oct-16	1,220.85	17,83,680	5.53	1,220.85	18,17,340	5.56
16-Nov-16	1,093.10	6,520	5.64	1,093.10	23,270	6.09
27-Jan-17	1,265.40	16,550	5.83	1,265.40	19,025	5.97
24-Mar-17	1,383.90	47,990	5.99	1,383.90	49,000	6.00
19-Apr-17	1,431.75	14,020	6.06	1,431.75	16,000	6.07
09-May-17	1,424.85	69,000	6.11	1,424.85	69,000	6.12
19-Jun-17	1,498.90	33,420	6.22	1,498.90	38,500	6.23
11-Jul-17	1,560.35	35,000	6.28	1,560.35	35,000	6.29
12-Oct-17	1,717.25	65,000	6.54	1,717.25	69,000	6.55
11-Jan-18	1,734.10	43,000	6.79	1,734.10	43,000	6.80
27-Mar-18	1,759.75	14,23,000	6.99	1,759.75	15,17,000	7.00
08-May-18	1,889.80	64,000	7.11			
28-Sep-18	1,682.00	1,09,000	7.50			
20-Mar-19	1,725.20	85,000	7.98			

10.4 Fair value methodology:

The fair value of options granted during the year has been estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	2018-19	2017-18
Average dividend yield	0.40 - 0.45%	0.30 - 0.38%
Expected volatility	22.51 - 28.30%	25.60 - 28.94%
Risk free interest rates	6.91 - 8.09%	6.54 - 7.23%
Expected life of options (in years)	4.52	4.52

Expected volatility is a measure of the amount by which the equity share price is expected to fluctuate during a period. The measure of volatility used in Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the share over a period of time. Expected volatility has been computed by considering the historical data on daily volatility in the closing equity share price on the National Stock Exchange of India Limited (NSE), over a prior period equivalent to the expected life of the options, till the date of the grant.

The stock-based compensation cost calculated as per the intrinsic value method for the year ended March 31, 2019 is ₹ 0.30 crores (Previous year ₹ 1.21 crores). Had the Bank adopted the Black - Scholes model based fair valuation, compensation cost for the year ended March 31, 2019, would have increased by ₹ 91.80 crores (Previous year ₹ 68.81 crores) and the pro forma profit after tax would have been lower by ₹ 59.72 crores (Previous year ₹ 44.99 crores). On a pro forma basis, the basic and diluted earnings per share would have been as follows:

Particulars	March 31, 2019	March 31, 2018
Pro forma basis		
Basic earnings per share ₹	53.90	59.44
Diluted earnings per share ₹	53.47	58.82

The weighted average fair value of options granted during the year 2018-19 is ₹ 594.84 (Previous year ₹ 593.37).

11. Disclosures – Accounting Standards

11.1 Employee Benefits (AS-15)

Gratuity:

Gratuity is a defined benefit plan. The Bank has obtained qualifying insurance policies from insurance companies approved by the IRDA. The following table presents a summary of the components of net expenses recognized in the Profit and Loss account and funded status and amounts recognized in the Balance Sheet, on the basis of actuarial valuation.

(₹ in crores)

	March 31, 2019	March 31, 2018
Changes in the present value of the obligation		
1. Opening balance of Present Value of Obligation	89.48	75.31
2. Interest Cost	6.31	5.05
3. Current Service Cost	17.94	16.44
4. Benefits Paid	(11.43)	(6.40)
5. Actuarial loss / (gain) on Obligation	8.22	(0.92)
6. Closing balance of Present Value of Obligation	110.52	89.48
Reconciliation of opening and closing balance of the fair value of the Plan Assets		
1. Opening balance of Fair value of Plan Assets	93.52	81.53
2. Adjustment to Opening Balance	0.26	0.66
3. Expected Return on Plan assets	7.01	6.54
4. Expenses	-	-
5. Contributions	29.46	15.51
6. Benefits Paid	(11.43)	(6.40)
7. Actuarial gain / (loss) on Plan Assets	(1.85)	(4.32)
8. Closing balance of Fair Value of Plan Assets	116.97	93.52

(₹ in crores)

	March 31, 2019	March 31, 2018
Profit and Loss – Expenses		
1. Current Service Cost	17.94	16.44
2. Interest Cost	6.31	5.05
3. Expected Return on Plan assets	(7.01)	(6.54)
4. Expenses	-	-
5. Net Actuarial loss recognised in the year	10.07	3.40
6. Expenses recognised in the Profit and Loss account	27.31	18.35
Funded status	100% insurance managed funds	100% insurance managed funds
Actuarial Assumptions		
1. Discount Rate	7.50-7.68%	7.55%
2. Expected Rate of Return on Plan Assets	4.22-8.00%	6.50-8.00%
3. Expected Rate of Salary Increase	5.00%	5.00%
4. Employee Attrition Rate		
- Past Service 0 to 5 years	30.00%	30.00%
- Past Service above 5 years	0.50%	0.50%

Estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Experience Adjustment

(₹ in crores)

Particulars	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Defined Benefit Obligations	110.52	89.48	75.31	61.67	46.38
Plan Assets	116.97	93.52	81.53	65.34	49.58
Surplus / (Deficit)	6.45	4.04	6.21	3.67	3.20
Experience Adjustments on Plan Liabilities	(8.22)	0.92	(4.07)	(7.60)	(4.25)
Experience Adjustments on Plan Assets	(1.85)	(4.32)	1.22	(0.80)	(0.35)

Contributions expected to be paid to the plan during the annual period beginning after the Balance Sheet date is ₹ 35 crores (Previous year ₹ 28 crores).

Provident Fund

Contributions towards Provident Fund are made to trusts separately established for the purpose and the scheme administered by Regional Provident Fund Commissioner (RPFC), as applicable. In accordance with the guidance note on Valuation of Interest Rate Guarantees on Exempt Provident Funds under AS 15 (Revised) issued by the Institute of Actuaries of India, interest shortfall is provided for based on actuarial valuation.

The details of the fund and plan assets position are as follows:

(₹ in crores)

Assets/ Liabilities	March 31, 2019	March 31, 2018
Present value of Interest Rate guarantee on Provident Fund	1.75	0.99
Present value of Total Obligation	195.52	165.01
Fair value of Plan Assets	197.08	164.86
Net asset / (liability) recognized in the Balance Sheet	1.56	(0.15)
Assumptions		
Normal Retirement age	60 years	60 years
Expected guaranteed interest on PF in future	8.65%	8.55%
Discount rate	7.60-7.80%	7.55%
Expected average remaining working lives of employees (years)	11.16-24.91	7.02-8.60
Benefit on normal retirement	Accumulated account balance with interest rate equal to or more than EPFO Rate	Accumulated account balance with interest rate equal to or more than EPFO Rate
Benefit on early retirement/withdrawal/resignation	Same as normal retirement benefit	Same as normal retirement benefit
Benefit on death in service	Same as normal retirement benefit	Same as normal retirement benefit

Compensated Absence

Provision for compensated absences is made on the basis of actuarial valuation as at the Balance Sheet date. The actuarial valuation is carried out using the Projected Unit Credit Method. The details of the fund and plan assets position are as follows:

(₹ in crores)

	March 31, 2019	March 31, 2018
Total actuarial liability	65.09	51.24
Total expense included in Schedule 16(I)	17.06	11.10
Assumptions		
Discount Rate	7.68%	7.55%
Salary escalation rate	5.00%	5.00%

11.2 Segment Reporting (AS 17)

The Bank operates in four business segments, viz. Treasury, Corporate / Wholesale Banking, Retail Banking and Other Banking Operations. There are no significant residual operations carried by the Bank.

Business Segments

(₹ in crores)

Business Segment	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operation		Total	
Particulars	31/03/19	31/03/18	31/03/19	31/03/18	31/03/19	31/03/18	31/03/19	31/03/18	31/03/19	31/03/18
Revenue	4,417.55	4,095.20	9,044.90	7,036.38	15,052.34	11,779.15	69.69	72.75	28,584.48	22,983.48
Inter Segment Revenue									(676.61)	(952.63)
Total Income									27,907.87	22,030.85
Result	483.58	605.79	2,790.64	2,124.05	5,019.61	4,112.51	23.24	25.40	8,317.07	6,867.75
Unallocated Expenses									(228.85)	(211.64)
Operating Profit									8,088.22	6,656.11
Provisions and Contingencies (other than tax)									(3,107.65)	(1,175.43)
Tax Expenses									(1,679.47)	(1,874.69)
Extraordinary profit/ loss									-	-
Net Profit									3,301.10	3,605.99
Other Information:										
Segment Assets	69,884.49	56,969.78	83,007.71	68,167.50	1,14,130.74	86,296.31	-	-	2,67,022.94	2,11,433.59
Unallocated Assets									10,796.48	10,192.57
Total Assets									2,77,819.42	2,21,626.16
Segment Liabilities	47,955.99	38,717.43	87,976.08	67,234.30	1,08,289.81	85,833.83	-	-	2,44,221.88	1,91,785.56
Unallocated Liabilities									33,597.54	29,840.60
Total Liabilities									2,77,819.42	2,21,626.16

Note:

Fixed Assets, tax paid in advance and tax deducted at source (net of provisions), stationery and stamps, non-banking assets acquired in satisfaction of claims, and others which cannot be allocated to any segments, have been classified as unallocated assets; Depreciation on Fixed Assets has been classified as unallocated expenses. The unallocated liabilities include share capital, employee stock option outstanding, reserves and surplus, dividend and others.

The above information is provided as per MIS for internal reporting purpose and relied upon by the auditors.

Geographic Segments:

The business operations of the Bank are largely concentrated in India. Activities outside India are restricted to resource mobilization in the international markets and lending to a few overseas entities through the IFSC Banking Unit at the GIFT City Gujarat. Since the Bank does not have material earnings emanating from foreign operations, the Bank is considered to operate only in domestic segment.

11.3 Related party transactions (AS-18)

The following is the information on transactions with related parties:

Key Management Personnel

Mr. Romesh Sobti, Managing Director

Associates

IndusInd Marketing and Financial Services Private Limited

Subsidiaries

The Bank has incorporated a wholly owned subsidiary named IndusInd Financial Inclusion Limited during the financial year ended March 31, 2019. The aforesaid subsidiary company is yet to commence its operations as on March 31, 2019.

In accordance with RBI guidelines, details pertaining to the related party transactions have not been provided as there is only one related party in each of the above categories.

11.4 Operating Leases (AS 19)

The Bank has taken a number of premises on operating lease for branches, offices, ATMs and residential premises for staff. The Bank has not given any assets on operating lease. The details of maturity profile of future operating lease payments are given below:

(₹ in crores)

	March 31, 2019	March 31, 2018
Future lease rentals payable as at the end of the year:		
- Not later than one year	316.51	325.04
- Later than one year but not later than five years	1,021.65	928.41
- Later than five years	523.24	326.12
Total of minimum lease payments recognized in the Profit and Loss Account for the year	298.40	280.11
Total of future minimum sub-lease payments expected to be received under non-cancellable sub-lease	-	-
Sub-lease payments recognized in the Profit and Loss account for the year	-	-

The Bank has not sub-let any of the properties taken on lease. There are no provisions relating to contingent rent.

The terms of renewal and escalation clauses are those normally prevalent in similar agreements. There are no undue restrictions or onerous clauses in the agreements.

11.5 Earnings per share (AS 20)

The dilutive impact is mainly due to stock options granted to employees by Bank. Details pertaining to earnings per share as per AS 20 are as under:

	For the Year ended	
	March 31, 2019	March 31, 2018
Net Profit after tax (₹ in crores)	3,301.10	3,605.99
Basic weighted average number of equity shares	60,13,45,091	59,90,63,006
Diluted weighted average number of equity shares	60,61,87,857	60,53,75,114
Nominal value of Equity Shares (₹)	10	10
Basic Earnings per Share (₹)	54.90	60.19
Diluted Earnings per Share (₹)	54.46	59.57

The difference between weighted average number of equity shares outstanding between basic and diluted earnings per share in the above mentioned disclosure is on account of effect of potential equity shares for outstanding ESOPs.

11.6 Deferred Tax (AS 22)

The major components of deferred tax assets / liabilities are as under:

(₹ in crores)

	March 31, 2019 Deferred Tax		March 31, 2018 Deferred Tax	
	Assets	Liabilities	Assets	Liabilities
Timing difference on account of				
Difference between depreciation as per the books of account and depreciation under the Income Tax Act, 1961	-	8.47	-	16.68
Difference between Provisions for doubtful debts and advances and amount allowable under Section 36(1)(viii) of the Income Tax Act, 1961	976.24	-	597.72	-
Difference between income as per the books of account and income offered under the Income Tax Act, 1961	-	352.76	-	252.84
Others	56.08	-	49.60	-
Sub-total	1,032.32	361.23	647.32	269.52
Net closing balance carried to the Balance Sheet (included in Sch. 11 – Others)	671.09		377.80	

12. Additional Disclosures

12.1 Provisions and Contingencies charged to the Profit and Loss account for the year consist of:

(₹ in crores)

Particulars	March 31, 2019	March 31, 2018
Depreciation on Investments	173.47	120.87
Provision for non-performing assets including bad debts written off (net of write backs)	2,719.01	900.90
Income Tax / Deferred Tax (Refer Note 9.1 of Schedule 18)	1,679.47	1,874.69
Other Provision and Contingencies (includes floating provision, provision towards standard assets and others)	215.17	153.66
Total	4,787.12	3,050.12

12.2 Movement in provisions

a) Movement in provision for credit card and debit card reward points

(₹ in crores)

Particulars	2018-19	2017-18
Opening provision for Reward Points	30.97	22.80
Provision for Reward Points made during the year	43.44	34.52
Utilisation / write back of provision for Reward Points	(32.44)	(26.35)
Effect of change in rate for accrual of Reward Points	-	-
Closing provision for Reward Points	41.97	30.97

b) Provision pertaining to fraud accounts:

(₹ in crores)

Particulars	2018-19	2017-18
Number of frauds reported	66	32
Amount involved in frauds	14.33	118.19
Provisions made during the year	3.36	101.42
Amount of unamortised provision debited from "other reserves" as at the end of the year	-	71.52

In respect of two borrower accounts where fraud was detected during the year ended March 31, 2018, the Bank opted to make the provision over four quarters, in accordance with the RBI circular DBR.No.BP.BC.92/21.04.048/2015-16 dated April 18, 2016. Accordingly, the Bank has charged to the Profit and Loss account an amount of ₹ 71.52 crores during the year (Previous Year ₹ 23.84 crores).

12.3 Disclosure relating to Complaints**A (i) Customer complaints (other than complaints relating to ATM transactions):**

No.	Particulars	2018-19	2017-18
(a)	No. of complaints pending at the beginning of the year	734	2,009
(b)	No. of complaints received during the year	34,861	46,223
(c)	No. of complaints redressed during the year	34,969	47,498
(d)	No. of complaints pending at the end of the year	626	734

(ii) Customer complaints relating to transactions on the Bank's ATMs:

No.	Particulars	2018-19	2017-18
(a)	No. of complaints pending at the beginning of the year	14	20
(b)	No. of complaints received during the year	339	1,491
(c)	No. of complaints redressed during the year	339	1,497
(d)	No. of complaints pending at the end of the year	14	14

(iii) Customer complaints relating to transactions on other banks' ATMs:

No.	Particulars	2018-19	2017-18
(a)	No. of complaints pending at the beginning of the year	4	55
(b)	No. of complaints received during the year	114	414
(c)	No. of complaints redressed during the year	115	465
(d)	No. of complaints pending at the end of the year	3	4

(iv) Customer complaints [Total of (i)+(ii)+(iii)]:

No.	Particulars	2018-19	2017-18
(a)	No. of complaints pending at the beginning of the year	752	2,084
(b)	No. of complaints received during the year	35,314	48,128
(c)	No. of complaints redressed during the year	35,423	49,460
(d)	No. of complaints pending at the end of the year	643	752

B. Awards passed by the Banking Ombudsman:

No.	Particulars	2018-19	2017-18
(a)	No. of unimplemented Awards at the beginning of the year	-	-
(b)	No. of Awards passed by the Banking Ombudsman during the year	-	-
(c)	No. of Awards implemented during the year	-	-
(d)	No. of unimplemented Awards at the end of the year	-	-

(Compiled by management and relied upon by auditors)

12.4 Proposed Dividend:

The Board of Directors, in their meeting held on May 22, 2019 have proposed a final dividend of ₹ 7.50 per equity share amounting to ₹ 544.93 crores, inclusive of corporate dividend tax. The proposal is subject to the approval of shareholders at the ensuing 25th Annual General Meeting and accordingly, this proposed dividend amounting to ₹ 544.93 crores is not recognised as a liability on March 31, 2019 and the same has not been considered as an appropriation from the Profit and Loss Account for the year ended March 31, 2019.

Dividend for the year ended March 31, 2018 paid during the year pursuant to the approval of the shareholders at the 24th Annual General Meeting, at the rate of ₹ 7.50 per equity share amounting to ₹ 542.94 crores including corporate dividend tax, has been considered as an appropriation from the Profit and Loss Account during the year.

12.5 Non-banking Assets acquired in Satisfaction of Claims

During the financial year 2017-18, Bank acquired a vacant land parcel, the value of which at ₹ 347.55 crores, was included under the head "Non-Banking Asset acquired in satisfaction of claims" vide item No. IV of Schedule 11 - Other Assets in the Balance Sheet as at March 31, 2018. Impairment, if any, was tested basis the valuation reports from two independent valuers / appraisers. In accordance with the clarification issued by RBI on May 8, 2019, a provision of ₹ 130.35 crores has been made by debiting ₹ 76.05 crores to the Profit and Loss Account and ₹ 54.30 crores to Reserves and Surplus - Balance in Profit and Loss Account which will be reversed, along with the corresponding charge, into the Profit and Loss Account over the next three quarters.

12.6 Letters of Comfort

The Bank has not issued any letters of comfort during the year ended March 31, 2019 (Previous year Nil).

12.7 Disclosure on Remuneration**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee (NRC) presently comprises four members, three of whom are Independent Directors. On aspects relating to remuneration, the mandate of the NRC is to establish, implement and maintain remuneration policies, procedures and practices that help to achieve effective alignment between remuneration and risks. The NRC is also mandated to oversee framing, implementation and review of the Compensation Policy of the Bank as per RBI guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Risk Takers and Control function staff. The NRC is also required to ensure that the cost to income ratio of the Bank supports the remuneration expense of the Bank consistent with the objective of maintaining sound capital adequacy ratio. The Nomination and Remuneration Committee also reviews compensation policies of the Bank with a view to attract, retain and motivate employees.

Compensation Policy

The Compensation Policy is formulated by the Board in alignment with the RBI guidelines and covers all components of compensation including fixed pay, variable pay, perquisites, retirement benefits as Provident Fund and Gratuity and Employee Stock Options.

The key objectives of the policy are:

- (i) Benchmark employee compensation for various job positions and skills with that of the market.
- (ii) Maintain an optimal balance between fixed and variable pay
- (iii) Pay for 'Position, Performance and Person'.
- (iv) Build employee ownership and long term association through long term incentive plans (ESOPs)

Some of the important features of the Compensation Policy are as follows:

- (i) The Bank has identified "Risk Takers and Risk Controllers" separately. Risk Takers includes all employees in Grades Senior Vice President 3 (SVP3) and above belonging to the business line functions of Corporate & Commercial Banking Group, Global Markets Group, Transaction Banking Group, Gems and Jewellery business, Consumer Banking and Consumer Finance Division, whose functioning and decisioning impacts the Bank materially on tangible financial performance aspects of revenues, costs, and profits. Risk Controllers are employees in Grades SVP3 and above belonging to the business support functions of Operations, Finance & Accounts, Information Technology, Secretarial, Credit, Risk, Financial Restructuring & Reconstruction Group, Credit Quality Loan Assurance Review, Human Resources, Inspection and Audit, Investor Relations, Marketing, Client Experience and Quality etc., who support the business line functions through back office processes and activities and their functioning does not have a revenue impact through business generation on the Bank's financial performance.
- (ii) The Nomination and Remuneration Committee will oversee the framing, implementation and review of the Compensation Policy.
- (iii) In respect of WTDs / CEO / Risk Takers / Control function staff of the Bank, the Compensation policy provides for a reasonable annual increase in fixed pay in line with the market benchmarks. Their individual increments are linked to their annual performance rating and increment percentages at various performance rating levels, are decided on the basis of the financial performance of the Bank. Exceptions are restricted to a select few high performers to reward performance, motivate and retain critical employees.
- (iv) The quantum of overall variable pay to be disbursed in a year for all eligible employees including the Risk Takers and Risk Controllers as defined above would vary from year to year on the basis of the financial performance of the Bank measured through various parameters such as Net Interest Margin, Net Interest Income, Return on Assets, Profit After Tax and Return on Equity.
- (v) Employee Compensation is linked to performance. Increments and variable pay are linked to their annual performance rating. Annual Performance Rating for an employee is arrived on the basis of tangible performance against pre-set Key Results Areas (KRAs) / measurable objectives set at the beginning of the financial year.
- (vi) The individual variable pay is linked to the annual performance rating, and based on variable pay grids that outline variable pay as a percentage of Annual Guaranteed cash at various rating levels for a grade band. Exceptional increments and variable pay may be paid to select high performers, but in no case they would violate the stipulated RBI guidelines. The Bank also makes a distinction between Risk Takers and Risk Controllers and incorporates separate parameters on variable pay for these segments in its Compensation Policy.
- (vii) The individual variable pay would not exceed 70% of the fixed pay. Wherever variable pay exceeds a substantial portion of fixed pay as defined by the Bank, (currently set at 65% of fixed pay), the variable pay will be deferred over a period of 3 years in a ratio to be decided by the management in accordance with the RBI guidelines.
- (viii) The Bank will implement *malus* / claw-back arrangements with the concerned employees in case of deferred variable pay as defined above. The criteria would be negative contributions to the bank and/or relevant line of business in any year. As applicable, *malus* arrangement would adjust deferred remuneration before vesting and claw-back arrangement would adjust deferred remuneration after vesting.
- (ix) The Compensation Policy does not provide for guaranteed bonus or sign on bonus in cash. However, in case of select critical hires, sign on bonus can be granted in form of pre-hiring ESOPs (a one-time grant made at the time of joining). The Compensation Policy does not provide for severance pay for any employee of the Bank, irrespective of the reasons for severance.
- (x) Retirement benefits in the form of Provident Fund and Gratuity are as per the Bank's HR policies which are in line with the statutory norms.

- (xi) Perquisites are laid down in HR Policies of the Bank.
- (xii) At present, the Bank uses cash based form of variable compensation. Cash based form of variable compensation is easy to administer and leads to an instant reward to the concerned employees.
- (xiii) ESOPs do not form a part of the variable pay and are kept outside the computation of total compensation of an employee. They are very selectively granted to attract and retain talent. ESOPs are not granted with a defined periodicity. ESOP grant criteria include grade of the employee, criticality of the position in terms of business contribution, market value of the position, and performance and behavioural track record of the employee.

Other Disclosures

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Number of meetings held by NRC during the financial year and remuneration paid to its members	During the year, six meetings of the NRC were held and the members were paid aggregate sitting fees of ₹ 3,60,000 for the six meetings.	During the year, five meetings of the NRC were held and the members were paid aggregate sitting fees of ₹ 4,60,000 for the five meetings.
Number of employees having received a variable remuneration award during the financial year	116 employees belonging to the category of WTD / CEO / Risk Takers/ Other Control function staff had received a variable remuneration award	102 employees belonging to the category of WTD / CEO / Risk Takers/ Other Control function staff had received a variable remuneration award
Number and total amount of 'sign on' awards made during the financial year	-	-
Details of guaranteed bonus if any paid as sign on bonus	-	-
Details of severance pay in addition to the accrued benefits	-	-
Total amount of outstanding deferred remuneration split into cash, shares and share linked instruments and other forms	The outstanding deferred remuneration is ₹ 2.15 crores to be paid as cash in FY 2019-20 and FY 2020-21	The outstanding deferred remuneration is ₹ 1.86 crores to be paid as cash in FY 2018-19 and FY 2019-20
Total amount of deferred remuneration paid out in the financial year	The deferred remuneration paid during the year 2018-19 was ₹ 1.72 crores	The deferred remuneration paid during the year 2017-18 was ₹ 1.47 crores
Breakdown of amount of remuneration awards for the financial year	Breakup of remuneration awards for the 126 employees defined as WTD / CEO / Risk Takers/ Other control function staff (a) Fixed pay – ₹ 166.86 crores (b) Variable pay – ₹ 64.94 crores for FY 2017-18 (c) Deferred remuneration – ₹ 2.15 crores (d) Non-deferred remuneration – ₹ 62.79 crores	Breakup of remuneration awards for the 111 employees defined as WTD / CEO / Risk Takers/ Other control function staff (a) Fixed pay – ₹ 140.20 crores (b) Variable pay – ₹ 55.49 crores for FY 2016-17 (c) Deferred remuneration – ₹ 1.86 crores (d) Non-deferred remuneration – ₹ 53.63 crores

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and implicit adjustments.	-	-
Total amount of reductions during the FY due to ex – post explicit adjustments	-	-
Total amount of reductions during the FY due to ex – post implicit adjustments	-	-

Disclosure on remuneration to Non-Executive Directors:

The Non-Executive Directors are paid Sitting Fees for attending meetings of the Board at the rate of ₹ 1,00,000/- per meeting, at the rate of ₹ 50,000/- per meeting of the Audit Committee of the Board, the Committee of Directors (CoD), and the Risk Management Committee, and at the rate of ₹ 20,000/- per meeting, in respect of all the other Committees. An amount of ₹ 1.44 crores was paid as sitting fees to the Non-Executive Directors during the year ended March 31, 2019 (Previous year ₹ 1.28 crores). In accordance with RBI guidelines and the approval accorded at the 22nd Annual General Meeting, an amount of ₹ 0.86 crores (Previous year ₹ 0.93 crores) has been paid as remuneration to Non-Executive Directors during the year ended March 31, 2019.

13. The Micro, Small and Medium Enterprises Development Act, 2006 that came into force from October 2, 2006, provides for certain disclosures in respect of Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or interest payments due to delays in such payments.
14. Previous year's figures have been regrouped / reclassified wherever necessary.

As per our report of even date.

For INDUSIND BANK LIMITED**For S R Batliboi & Co. LLP**

Chartered Accountants

Firm Registration No: 301003E/E300005

per Viren H Mehta

Partner

Membership No: 048749

Place : Mumbai

Date : May 22, 2019

R. Seshasayee

Chairman

Kanchan Chitale

Director

Arun Tiwari

Director

S. V. Zaregaonkar

Chief Financial Officer

Romesh Sobti

Managing Director

Shanker Annaswamy

Director

Siraj Chaudhry

Director

Haresh Gajwani

Company Secretary

Independent Auditors' Report

To the Members of IndusInd Bank Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of IndusInd Bank Limited ("the Bank") and its subsidiary (the Bank and its subsidiary together referred to as "the Group") and its associate, which comprise the Consolidated Balance sheet as at March 31, 2019, the Consolidated Profit and Loss Account, the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the associate, the aforesaid Consolidated Financial Statements give the information required by Companies Act, 2013, as amended ("the Act") in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2019, its consolidated profit and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SA) 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 Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2019. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements.

The results of the audit procedures performed by us and by the other auditors of the components not audited by us, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

Key audit matters	How our audit addressed the key audit matter
Identification of and provisioning for Non-performing advances:	
<p>Advances constitute a significant portion of the Group's assets and the quality of these advances is measured in terms of ratio of Non-Performing Advances ("NPA") to the gross advances of the Group. As at 31 March 2019 the Group's net advances amount to Rs 186,394 crores and the gross NPA ratio of the Bank is 2.10% as at March 31, 2019.</p> <p>The Reserve Bank of India's ("RBI") guidelines on Income recognition and asset classification ("IRAC") prescribe the prudential norms for identification and classification of NPA and the minimum provision required for such assets from time to time. The Group is also required to apply its judgement to determine the identification and provision required against NPA by applying quantitative as well as qualitative factors.</p> <p>The provisioning for identified NPA is estimated based on ageing and classification of NPA, value of security and other qualitative factors and is subject to the minimum provisioning norms specified by RBI.</p> <p>Since the identification of NPA and provisioning for advances require significant level of estimation and given its significance to the overall audit including possible observations by RBI which could result in disclosures in the financial statements, we have ascertained identification and provisioning for NPA as a key audit matter.</p>	<p>The audit procedures performed, among others, included:</p> <ul style="list-style-type: none"> - Considering the Group's policies for NPA identification and provisioning and assessing compliance with the IRAC norms. - Understanding, evaluating and testing the design and operating effectiveness of key controls (including application controls) around identification of non-performing advances based on the extant guidelines on IRAC. - Performing other procedures including substantive audit procedures covering the identification of NPA by the Group. These procedures included: <ul style="list-style-type: none"> - Testing of the exception reports generated from the application systems where the advances have been recorded. - Reading the accounts reported by the Group and other banks as Special Mention Accounts ("SMA") in RBI's central repository of information on large credits (CRILC) to identify stress. - Reading account statements and other related information of the borrowers selected based on quantitative and qualitative risk factors. - Performing inquiries with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which need to be considered as NPA. Examining the early warning reports generated by the Group to identify stressed loan accounts. - Holding specific discussions with the management of the Bank on sectors where there is perceived credit risk and the steps taken to mitigate the risks to identified sectors. - Read the RBI Annual Financial Inspection report for the financial years 2016-17 and 2017-18 and other communication with regulators. - Read the minutes of meeting of board level committees, risk management committee, credit and NPA review committees and internal audit reports for any recorded instances of non-recognition of NPA and inadequate provisioning on NPA, than as required by the IRAC.

Key audit matters	How our audit addressed the key audit matter
	<p>With respect to provisioning of advances, we performed the following procedures:</p> <ul style="list-style-type: none"> - Gained an understanding of the Group's process for provisioning of advances. - Tested on a sample basis the realizable value of assets provided as security against loans classified as non-performing for determining the provision. - Tested on a sample basis the calculation performed by the management for compliance with RBI regulations and internally laid down policies for provisioning.
Information Technology ("IT") Systems and controls:	
<p>The Group's operations rely on multiple integrated / non-integrated IT Systems and applications. The reliability and security of IT systems plays a key role in the business operations of the Group. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. These systems also play a key role in the financial accounting and reporting process of the Group.</p> <p>Due to the pervasive nature and complexity of the IT environment we have ascertained IT systems and controls as a key audit matter.</p>	<ul style="list-style-type: none"> - We involved specialized IT auditors as part of the audit team for testing IT General Controls (logical access, change management and aspects of IT operations controls), application controls and IT dependent manual controls implemented by the Group, and testing the information produced by the Group's - Tested the design and operating effectiveness of the Group's IT access controls over the information systems that are critical to financial reporting. - Tested the Group's periodic review of access rights. We inspected requests of changes to systems for approval and authorization. - Considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. - Tested key application controls to evaluate their operating effectiveness. - Where deficiencies were identified, we tested compensating controls or performed alternate procedures.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Bank's Board of Directors is responsible for the other information. The other information received by us comprises the information included in the Basel III - Pillar 3 disclosures but does not include the financial statements and our auditor's reports thereon, which we obtained prior to the date of this auditor's report, and other elements of the Annual Report, which are expected to be made available to us after that date.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude

that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other elements of the Annual Report are expected to be made available to us after the date of this auditor's report.

When we read the other elements of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those Charged with Governance and shall comply with the relevant applicable requirements of the Standard on Audit for The Auditor's Responsibility in relation to Other Information in Documents containing Audited Financial Statements.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

The Bank's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 in so far as they apply to the Group and the guidelines and directions issued by the Reserve Bank of India from time to time.

The respective Board of Directors of the companies included in Group and of its associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate company 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 the 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Bank, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in Group and its associate company are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are 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 SA 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 these Consolidated Financial Statements.

As part of an audit in accordance with SA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, 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 adequate internal financial controls system in place 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 management.
- Conclude on the appropriateness of 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 ability of the Group 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 Consolidated Financial Statements 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate company of which we are the independent auditors, to express an opinion on the Consolidated Financial Statements.
- We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion

We communicate with those charged with governance of the Bank and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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.

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.

From the matters communicated with those Charged with Governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- (a) The accompanying Consolidated Financial Statements include Bank's share of net profit of Rs. 0.27 crores for the year ended March 31, 2019, as considered in the Consolidated Financial Statements, in respect of associate company whose financial statements and other financial information have been audited by another auditor whose report has been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this associate company, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate company, is based solely on the reports of such other auditor.

Our opinion above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

- (b) The Consolidated Financial Statements of the Bank for the corresponding year ended March 31, 2018 were audited by a predecessor auditor who expressed an unmodified opinion on those financial statements vide their report dated April 19, 2018.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of the associate company, as noted in the 'Other Matters' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books of the Bank and reports of the other auditor;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Accounts) Rules, 2014, as amended;
- (e) On the basis of the written representations received from the directors of the Bank as on March 31, 2019 taken on record by the Board of Directors of the Bank and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its associate company, none of the directors of the Group's companies and its associate company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements, refer to our separate report in "Annexure 1" to this Report;
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the holding company, being a banking company for the year ended March 31, 2019. However, the remuneration to whole-time directors of the Bank during the year ended March 31, 2019 has been paid by the Bank in accordance with the provisions of Section 35B (1) of the Banking Regulation Act, 1949. Based on the consideration of respective reports of the statutory auditors of the Bank's subsidiary company and its associate company, the remuneration paid to their respective directors during the year ended March 31, 2019 was in accordance with the provision of section 197 of the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 report of the other auditor on separate financial statements of the associate company, as noted in the 'Other Matters' paragraph:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate company in its Consolidated Financial Statements – Refer Note 3 of Schedule 18 and Schedule 12 to the Consolidated Financial Statements;
 - ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative

contracts – Refer Note 4 of Schedule 18 to the Consolidated Financial Statements in respect of such items as it relates to the Group and the Group's share of net profit/loss in respect of its associate company;

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank, its subsidiary company and associate company during the year ended March 31, 2019.

For S. R. BATLIBOI & CO. LLP

Chartered Accountants

Firm's Registration No.: 301003E/E300005

per Viren H. Mehta

Partner

Membership Number: 048749

Mumbai
May 22, 2019

Annexure 1 to Independent Auditors' Report

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDUSIND BANK LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of IndusInd Bank Limited

In conjunction with our audit of the Consolidated Financial Statements of IndusInd Bank Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of IndusInd Bank Limited (hereinafter referred to as the "Bank") and its associate company, which is a company incorporated in India, as of that date. The provisions of Section 143(3)(i) of the Act does not currently apply to Bank's subsidiary company incorporated in India.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Bank and its associate company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Bank's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Bank and its associate company, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

- a) Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Bank, insofar as it relates to an associate company, which is a company incorporated in India, is based on the corresponding report of the auditors of the associate company incorporated in India.
- b) The provisions of Sec 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting does not currently apply to the subsidiary company of the Bank.

For S. R. BATLIBOI & CO. LLP

Chartered Accountants

Firm's Registration No.: 301003E/E300005

per Viren H. Mehta

Partner

Membership Number: 048749

Mumbai
May 22, 2019

Consolidated Balance Sheet as at March 31, 2019

		Rupees in '000s	
	Schedule	As at 31.03.2019	As at 31.03.2018
CAPITAL AND LIABILITIES			
Capital	1	602,68,69	600,22,32
Employee Stock Options Outstanding	18 (Note 9.2)	11,18,84	14,57,11
Reserves and Surplus	2	26073,36,99	23228,46,50
Deposits	3	194867,90,69	151639,17,43
Borrowings	4	47321,12,24	38289,07,82
Other Liabilities and Provisions	5	8944,42,55	7856,26,52
TOTAL		277820,70,00	221627,77,70
ASSETS			
Cash and Balances with Reserve Bank of India	6	9961,17,40	10962,40,60
Balances with Banks and Money at Call and Short Notice	7	4822,22,67	2253,47,14
Investments	8	59268,04,38	50078,33,39
Advances	9	186393,50,14	144953,65,76
Fixed Assets	10	1710,01,16	1338,75,31
Other Assets	11	15665,74,25	12041,15,50
TOTAL		277820,70,00	221627,77,70
Contingent Liabilities	12	952668,44,61	662099,15,62
Bills for Collection		32971,50,77	37415,47,98
Significant Accounting Policies	17		
Notes to the Consolidated Financial Statements	18		

The schedules referred to above form an integral part of the Consolidated Balance Sheet.

As per our report of even date.

For INDUSIND BANK LIMITED

For S R Batliboi & Co. LLP

Chartered Accountants

Firm Registration No: 301003E/E300005

per Viren H Mehta

Partner

Membership No: 048749

Place : Mumbai

Date : May 22, 2019

R. Seshasayee

Chairman

Kanchan Chitale

Director

Arun Tiwari

Director

S. V. Zaregaonkar

Chief Financial Officer

Romesh Sobti

Managing Director

Shanker Annaswamy

Director

Siraj Chaudhry

Director

Haresh Gajwani

Company Secretary

Consolidated Profit and Loss Account for the year ended March 31, 2019

	Schedule	Year ended 31.03.2019	Rupees in '000s Year ended 31.03.2018
I. INCOME			
Interest Earned	13	22261,15,05	17280,74,87
Other Income	14	5646,71,89	4750,10,33
TOTAL		27907,86,94	22030,85,20
II. EXPENDITURE			
Interest Expended	15	13414,96,68	9783,30,45
Operating Expenses	16	6405,29,76	5591,44,36
Provisions and Contingencies	18 (Note 11.1)	4787,12,11	3050,11,64
TOTAL		24607,38,55	18424,86,45
III. PROFIT			
Net Profit for the year		3300,48,39	3605,98,75
Add : Share in profit/(loss) of Associate		26,93	13,33
Profit brought forward		9313,10,72	7119,86,04
TOTAL		12613,86,04	10725,98,12
IV. APPROPRIATIONS			
Transfer to			
a) Transfer to Statutory Reserve		825,27,45	901,49,69
b) Transfer to Capital Reserve		39,53,24	7,61,93
c) Transfer to Investment Reserve Account		-	-
d) Transfer to Investment Fluctuation Reserve Account		115,11,90	-
e) Dividend paid including tax on dividend (Refer Schedule 18 (Note 11.2))		542,93,85	432,24,16
f) Deductions during the year		(17,21,62)	71,51,62
		1505,64,82	1412,87,40
Balance carried over to the Balance Sheet		11108,21,22	9313,10,72
TOTAL		12613,86,04	10725,98,12
V. EARNINGS PER EQUITY SHARE (Face value of ₹10/- per share)			
Basic (₹)	18 (Note 10.5)	54.89	60.20
Diluted (₹)	18 (Note 10.5)	54.45	59.58
Significant Accounting Policies	17		
Notes to the Consolidated Financial Statements	18		

The schedules referred to above form an integral part of the Consolidated Profit and Loss Account.

As per our report of even date.

For INDUSIND BANK LIMITED

For S R Batliboi & Co. LLP
Chartered Accountants
Firm Registration No: 301003E/E300005

per Viren H Mehta
Partner
Membership No: 048749

Place : Mumbai
Date : May 22, 2019

R. Seshasayee
Chairman

Kanchan Chitale
Director

Arun Tiwari
Director

S. V. Zaregaonkar
Chief Financial Officer

Romesh Sobti
Managing Director

Shanker Annaswamy
Director

Siraj Chaudhry
Director

Haresh Gajwani
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2019

	Year ended 31.03.2019	Rupees in '000s Year ended 31.03.2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	4979,95,85	5480,67,20
Adjustments for:		
Depreciation on Fixed assets	228,85,18	211,64,34
Depreciation on Investments	173,47,21	120,86,12
Employees Stock Option expenses	30,33	1,21,34
Loan Loss and Other Provisions	2934,17,44	1054,57,07
Amortisation of premium on HTM investments	294,40,10	179,32,22
(Profit) / Loss on sale of fixed assets	117,50	(8,00,66)
Share in Current Year profit of Associate	26,93	13,33
Operating Profit before Working Capital changes	8612,60,54	7040,40,96
Adjustments for:		
(Increase)/Decrease in Advances	(44374,01,80)	(32927,72,06)
(Increase)/Decrease in Investments	(9657,58,30)	(13674,89,59)
(Increase)/Decrease in Other Assets	(2979,60,45)	(3038,10,85)
Increase/(Decrease) in Deposits	43228,73,26	25066,95,15
Increase/(Decrease) in Other Liabilities	1105,36,64	(1191,62,68)
Cash generated from / (used in) Operations	(4064,50,11)	(18724,99,07)
Direct Taxes paid (net of refunds)	(2324,44,76)	(1975,45,00)
Net Cash from / (used in) Operating Activities	(6388,94,87)	(20700,44,07)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including WIP)	(643,46,44)	(235,79,27)
Proceeds from sale of Fixed Assets	5,52,73	16,24,47
Net Cash used in Investing Activities	(637,93,71)	(219,54,80)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (net of issue expenses)	100,54,25	101,96,50
Proceeds from issue of Long Term Infrastructure Bonds	-	-
Dividends paid	(542,93,85)	(432,24,16)
Proceeds from Perpetual Debt instruments	1489,90,00	1000,00,00
Redemption of Sub-ordinated Tier II capital	-	-
Increase/(Decrease) in Borrowings	7542,14,42	14835,38,38
Net Cash generated from / (used in) Financing Activities	8589,64,82	15505,10,72
Effect of foreign currency translation reserve	4,76,09	2,50,47
Net Increase / (Decrease) in Cash and Cash Equivalents	1567,52,33	(5412,37,68)
Cash and Cash Equivalents at the beginning of the year	13215,87,74	18628,25,42
Cash and Cash Equivalents at the end of the year	14783,40,07	13215,87,74

Notes:

- The above Consolidated Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements.
- Figures in bracket indicate cash outflow.
- Cash and cash equivalents comprise of Cash in Hand and Balances with RBI (Schedule 6) and Balances with Banks and Money at Call and Short Notice (Schedule 7).

As per our report of even date.

For INDUSIND BANK LIMITED**For S R Batliboi & Co. LLP**

Chartered Accountants

Firm Registration No: 301003E/E300005

per Viren H Mehta

Partner

Membership No: 048749

R. Seshasayee

Chairman

Kanchan Chitale

Director

Arun Tiwari

Director

S. V. Zaregaonkar

Chief Financial Officer

Romesh Sobti

Managing Director

Shanker Annaswamy

Director

Siraj Chaudhry

Director

Haresh Gajwani

Company Secretary

Place : Mumbai

Date : May 22, 2019

Schedules to the Consolidated Financial Statements

		Rupees in '000s	
		As at 31.03.2019	As at 31.03.2018
SCHEDULE - 1 CAPITAL			
Authorised Capital			
70,00,00,000 (Previous year 70,00,00,000) equity shares of ₹ 10 each		700,00,00	700,00,00
Issued, Subscribed and Called Up Capital			
60,26,86,868 (Previous year 60,02,23,187) equity shares of ₹ 10 each		602,68,69	600,22,32
Paid up Capital			
60,26,86,868 (Previous year 60,02,23,187) equity shares of ₹ 10 each		602,68,69	600,22,32
Refer Schedule 18 (Note 1)			
TOTAL		602,68,69	600,22,32
SCHEDULE - 2 RESERVES AND SURPLUS			
I Statutory Reserve			
Opening balance		3824,26,69	2922,77,00
Additions during the year		825,27,45	901,49,69
		4649,54,14	3824,26,69
II Share Premium Account			
Opening balance		9471,15,41	9369,42,05
Additions during the year		101,76,48	101,73,36
		9572,91,89	9471,15,41
III General Reserve			
Balance as at the end of the year		1,35,57	1,35,57
		1,35,57	1,35,57
IV Capital Reserve			
Opening balance		223,36,80	215,74,87
Additions during the year		39,53,24	7,61,93
		262,90,04	223,36,80
V Capital Reserve on Consolidation			
Opening Balance		35	35
Addition during the Year		-	-
Balance as at the end of the year		35	35
VI Investment Allowance Reserve			
Balance as at the end of the year		1,00,00	1,00,00
		1,00,00	1,00,00
VII Investment Reserve Account			
Balance as at the end of the year		40,52,98	40,52,98
		40,52,98	40,52,98
VIII Investment Fluctuation Reserve			
Opening balance		-	-
Additions during the year		115,11,90	-
		115,11,90	-

Schedules to the Consolidated Financial Statements (Contd.)

		Rupees in '000s	
		As at 31.03.2019	As at 31.03.2018
IX	Revaluation Reserve		
	Opening balance	362,20,33	374,59,43
	Reduction during the year	(29,69,37)	-
	Deductions during the year	(6,95,80)	(12,39,10)
	Balance as at the end of the year	325,55,16	362,20,33
X	Foreign Currency Translation Reserve		
	Opening balance	(8,52,35)	(11,02,82)
	Credits during the year	4,76,09	2,50,47
	Balance as at the end of the year	(3,76,26)	(8,52,35)
XI	Balance in the Profit and Loss Account	11108,21,22	9313,10,72
	TOTAL	26073,36,99	23228,46,50
SCHEDULE - 3 DEPOSITS			
A	I Demand Deposits		
	i) From Banks	597,47,82	393,92,35
	ii) From Others	28986,99,87	20447,06,25
	II Savings Bank Deposits	54485,66,51	45888,27,30
	III Term Deposits		
	i) From Banks	8781,87,79	5287,92,58
	ii) From Others	102015,88,70	79621,98,95
	TOTAL	194867,90,69	151639,17,43
B	Deposits of Branches		
	I In India	194867,90,69	151639,17,43
	II Outside India	-	-
	TOTAL	194867,90,69	151639,17,43
SCHEDULE - 4 BORROWINGS			
I	Borrowings in India		
	i) Reserve Bank of India	-	-
	ii) Other Banks	1715,54,93	757,67,53
	iii) Other Institutions and Agencies	20468,73,76	21474,02,79
	iv) Long Term Infrastructure Bonds	2000,00,00	2000,00,00
	v) Unsecured Non-Convertible Perpetual Non-Cumulative Bonds (Subordinated Debt qualifying as Additional Tier 1 Capital)	3489,90,00	2000,00,00
II	Borrowings outside India	19646,93,55	12057,37,50
	TOTAL	47321,12,24	38289,07,82
Secured borrowings other than Collateralised Borrowing and Lending Obligation and Repo Borrowings included in I above		-	-
SCHEDULE - 5 OTHER LIABILITIES AND PROVISIONS			
I	Inter-office Adjustments (Net)	274,81,49	401,44,70
II	Bills Payable	573,66,27	667,65,72
III	Interest Accrued	1184,36,65	788,20,11
IV	Others	6911,58,14	5998,95,99
	TOTAL	8944,42,55	7856,26,52

Schedules to the Consolidated Financial Statements (Contd.)

		Rupees in '000s	
		As at 31.03.2019	As at 31.03.2018
SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA			
I	Cash in hand (including foreign currency notes)	964,47,15	1069,20,30
II	Balances with Reserve Bank of India		
i)	In Current Account	8996,70,25	9893,20,30
ii)	In Other Accounts	-	-
	TOTAL	9961,17,40	10962,40,60
SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE			
I	In India		
i)	Balances with Banks		
a)	In Current Accounts	650,43,54	618,43,12
b)	In Other Deposit Accounts	1954,75,00	310,25,00
ii)	Money at Call and Short Notice - With Other Institutions	-	-
	TOTAL	2605,18,54	928,68,12
II	Outside India		
i)	In Current Accounts	1387,18,13	493,80,89
ii)	In Other Deposit Accounts	-	635,45,63
iii)	Money at Call and Short Notice	829,86,00	195,52,50
	TOTAL	2217,04,13	1324,79,02
	GRAND TOTAL	4822,22,67	2253,47,14
SCHEDULE - 8 INVESTMENTS			
I	In India		
	Gross Value	59650,10,37	50286,92,17
	Less : Aggregate of provision/depreciation	382,05,99	208,58,78
	Net value of Investments in India	59268,04,38	50078,33,39
	Comprising :		
i)	Government securities*	48644,76,19	40365,98,63
ii)	Other approved securities	-	-
iii)	Shares	129,36,15	291,93,46
iv)	Debentures and bonds	5290,03,44	4476,41,88
v)	Subsidiaries and/ or Joint Ventures	0	-
vi)	Others - Security Receipt, Units of schemes of Mutual Funds and Others	5201,99,72	4942,37,47
vii)	Associate (1)	1,88,88	1,61,95
II	Outside India	-	-
	TOTAL	59268,04,38	50078,33,39

Schedules to the Consolidated Financial Statements (Contd.)

	Rupees in '000s	
	As at 31.03.2019	As at 31.03.2018
(i) Investment in Associate		
Investment at Cost	30	30
Add : Capital Reserve on the date of Acquisition	35	35
Equity Investment in Associate	65	65
Add : Post-acquisition profit / loss of Associate (Equity method)	1,88,23	1,61,30
Less : Share of Unrealised Profit in Associate	-	-
TOTAL	1,88,88	1,61,95

*Includes securities of ₹ 1,105.22 crores (previous year ₹ 274.38 crores) pledged for clearing facility and margin requirements.

SCHEDULE - 9 ADVANCES

A	i) Bills Purchased and Discounted	587,37,01	4331,25,05
	ii) Cash Credits, Overdrafts and Loans Repayable on Demand	58066,82,92	43077,06,30
	iii) Term Loans	127739,30,21	97545,34,41
	TOTAL	186393,50,14	144953,65,76
B	i) Secured by Tangible Assets (includes advances against book debts)	146489,54,88	112723,03,02
	ii) Covered by Bank/ Government Guarantees (includes advances against L/Cs issued by Banks)	2459,80,00	2834,42,39
	iii) Unsecured	37444,15,26	29396,20,35
	TOTAL	186393,50,14	144953,65,76
C	I Advances in India		
	i) Priority Sector	60348,94,68	45314,30,79
	ii) Public Sector	6603,98,65	5090,73,31
	iii) Banks	-	64,00
	iv) Others	114893,16,77	90151,67,34
	TOTAL	181846,10,10	140557,35,44
	II Advances Outside India	4547,40,04	4396,30,32
	TOTAL	186393,50,14	144953,65,76

SCHEDULE - 10 FIXED ASSETS

I Premises		
i) At cost, as at the beginning of the year	575,64,31	586,58,71
ii) Revaluation during the year	(29,69,37)	-
iii) Additions during the year	329,56,52	-
	875,51,46	586,58,71
iv) Less : Deductions during the year	1,35,71	10,94,40
v) Less : Depreciation to date (Refer Schedule 18 (Note 2.4))	91,22,68	82,15,41
TOTAL	782,93,07	493,48,90

Schedules to the Consolidated Financial Statements (Contd.)

		Rupees in '000s	
		As at 31.03.2019	As at 31.03.2018
II	Other Fixed Assets (including furniture and fixtures)		
i)	At cost, as at the beginning of the year	1945,09,81	1735,37,02
ii)	Additions during the year	317,39,35	238,78,76
		2262,49,16	1974,15,78
iii)	Less : Deductions during the year	40,14,63	29,05,97
iv)	Less : Depreciation to date (Refer Schedule 18 (Note 2.4))	1317,21,21	1125,27,62
	TOTAL	905,13,32	819,82,19
III	Capital Work in Progress & Other Intangible Asset	21,94,77	25,44,22
	GRAND TOTAL	1710,01,16	1338,75,31
SCHEDULE - 11 OTHER ASSETS			
I	Interest Accrued	1748,67,24	1377,69,80
II	Tax paid in advance / Tax deducted at source (net of provision)	1240,88,58	819,08,61
III	Stationery and Stamps	51,34	56,81
IV	Non-banking assets acquired in satisfaction of claims	368,87,55	372,20,40
V	Others [Deferred Tax Assets (Refer Schedule 18 (Note 10.6))]	12306,79,54	9471,59,88
	TOTAL	15665,74,25	12041,15,50
SCHEDULE - 12 CONTINGENT LIABILITIES			
I	Claims against the Bank not acknowledged as debts	395,63,94	476,51,86
II	Liability on account of outstanding Forward Exchange Contracts	473430,65,55	351440,73,62
III	Liability on account of outstanding Derivative Contracts	402254,88,57	245530,75,62
IV	Guarantees given on behalf of constituents		
	- In India	49676,58,49	45380,96,66
	- Outside India	783,23,73	559,32,07
V	Acceptances, Endorsements and Other Obligations	23398,38,34	16587,23,27
VI	Other Items for which the Bank is contingently liable	2729,05,99	2123,62,52
	TOTAL	952668,44,61	662099,15,62

Schedules to the Consolidated Financial Statements (Contd.)

		Rupees in '000s	
		Year ended 31.03.2019	Year ended 31.03.2018
SCHEDULE - 13 INTEREST EARNED			
I	Interest/ Discount on Advances/ Bills	18256,67,91	13699,90,54
II	Income on Investments	3677,34,05	3074,38,28
III	Interest on Balances with RBI and Other Inter-Bank Funds	102,02,71	321,47,51
IV	Others	225,10,38	184,98,54
	TOTAL	22261,15,05	17280,74,87
SCHEDULE - 14 OTHER INCOME			
I	Commission, Exchange and Brokerage	4072,96,41	3401,98,21
II	Profit/ (Loss) on Sale of Investments	115,11,90	363,78,33
III	Profit/ (Loss) on Sale of Land, Buildings and Other Assets (Net)	(1,17,50)	8,00,66
IV	Profit on exchange transactions / Derivatives (Net)	1359,31,10	921,01,58
V	Income earned by way of dividend from companies in India	33,88	30,02
VI	Miscellaneous Income	100,16,10	55,01,53
	TOTAL	5646,71,89	4750,10,33
SCHEDULE - 15 INTEREST EXPENDED			
I	Interest on Deposits	10609,04,13	8045,95,62
II	Interest on Reserve Bank of India/ Inter-Bank Borrowings	611,46,53	188,28,69
III	Other Interest	2194,46,02	1549,06,14
	TOTAL	13414,96,68	9783,30,45
SCHEDULE - 16 OPERATING EXPENSES			
I	Payments to and Provisions for Employees	1853,51,34	1780,68,56
II	Rent, Taxes and Lighting (includes operating lease rentals)	408,58,52	373,02,03
III	Printing and Stationery	72,72,43	65,71,65
IV	Advertisement and Publicity	40,46,82	32,54,70
V	Depreciation on Bank's Property	228,85,18	211,64,34
VI	Directors' Fees, Allowances and Expenses	3,67,92	2,78,73
VII	Auditors' Fees and Expenses	1,97,03	2,07,36
VIII	Law Charges	67,84,04	71,57,65
IX	Postage, Telegrams, Telephones, etc.	141,56,71	130,51,15
X	Repairs and Maintenance	335,62,77	341,82,56
XI	Insurance	194,69,47	167,80,30
XII	Service Provider Fees	459,97,54	418,24,15
XIII	Other Expenditure	2595,79,99	1993,01,18
	TOTAL	6405,29,76	5591,44,36

Schedule 17 Significant accounting policies

1. General

- 1.1 IndusInd Bank Limited ('the Bank') was incorporated in 1994 under the Companies Act, 1956 and is licensed by the Reserve Bank of India (RBI) to operate as a commercial bank under the Banking Regulation Act, 1949. The Bank is publicly held and provides a wide range of banking products and financial services to corporate and retail clients besides undertaking treasury operations. The Bank operates in India including at the International Financial Service Centres in India, and does not have a branch in any foreign country.

1.2 Principles of Consolidation

The consolidated financial statements of the Group comprise the financial statements of IndusInd Bank Limited (the Bank), IndusInd Financial Inclusion Limited (IFIL), a wholly owned subsidiary, and IndusInd Marketing and Financial Services Private Limited (IMFS), an Associate of the Bank.

The Bank consolidates its subsidiary in which it holds 100% control on a line by line basis by adding together like items of assets, liabilities, income and expenses in accordance with Accounting Standard 21 'Consolidated Financial Statement' specified under section 133 and relevant provision of the Companies Act 2013 (as amended). Intragroup balances and intragroup transactions if any, are eliminated in full.

The investment in Associate is consolidated using equity method in accordance with Accounting Standard 23" Accounting for Investment in Associate in Consolidated Financial Statement specified under section 133 and relevant provision of the companies Act 2013 (as amended). The difference between the cost of investment in the Associate and its share of net assets at the time of acquisition of shares in the Associate, is identified in the consolidated financial statements as goodwill or capital reserve, as the case may be.

1.3 Basis of preparation

The accompanying financial statements have been prepared under the historical cost convention except where otherwise stated, and in accordance with statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by RBI from time to time (RBI guidelines), accounting standards referred to in Section 133 of the Companies Act, 2013, (the Act) and practices prevailing within the banking industry in India.

The preparation of the financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Any revision to accounting estimates is recognised prospectively in current and future periods.

The consolidated financial statements present the accounts of IndusInd Bank Limited with its Subsidiary as under:

Name of the Associate	Country of Origin	% Shareholding of Group as at March 31, 2019	% Shareholding of Group as at March 31, 2018
IndusInd Financial Inclusion Limited	India	100% (August 6, 2018)	-

As per AS-23, the Consolidated Financial Statements incorporate the audited results of the following associate:

Name of the Associate	Country of Origin	% Shareholding of Group as at March 31, 2019	% Shareholding of Group as at March 31, 2018
IndusInd Marketing & Financial Services Private Limited	India	30%	30%

2. Transactions involving Foreign Exchange

- 2.1 Monetary assets and liabilities of domestic and integral foreign operations denominated in foreign currency are translated at the Balance Sheet date at the closing rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resulting gains or losses are recognised in the Profit and Loss account.

- 2.2 Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- 2.3 Both monetary and non-monetary assets and liabilities of non-integral foreign operations are translated at the Balance Sheet date at the closing rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resulting gains or losses are accumulated in the foreign currency translation reserve until disposal of the net investment in the non-integral foreign operation.
- 2.4 All foreign exchange contracts outstanding at the Balance Sheet date are re-valued on present value basis and the resulting gains or losses are recognised in the Profit and Loss account.
- 2.5 Swap Cost arising on account of foreign currency swap contracts to convert foreign currency funded liabilities and assets into rupee liabilities and assets is amortised to the Profit and Loss account under the head 'Interest – Others' over the underlying swap period.
- 2.6 Income and expenditure of domestic and integral foreign operations denominated in a foreign currency is translated at the rates of exchange prevailing on the date of the transaction. Income and expenditure of non-integral foreign operations is translated at quarterly average closing rates.
- 2.7 Contingent liabilities at the Balance Sheet date on account of outstanding forward foreign exchange contracts, guarantees, acceptances, endorsements and other obligations denominated in a foreign currency are stated at the closing rates of exchange notified by the FEDAI.

3. Investments

Significant accounting policies in accordance with RBI guidelines are as follows:

3.1 Categorisation of Investments

The Bank classifies its investment at the time of purchase into one of the following three categories:

- (i) **Held to Maturity (HTM)** – Securities acquired with the intention to hold till maturity.
- (ii) **Held for Trading (HFT)** – Securities acquired with the intention to trade.
- (iii) **Available for Sale (AFS)** – Securities which do not fall within the above two categories.

Subsequent shifting amongst the categories is done in accordance with RBI guidelines.

3.2 Classification of Investments

For the purpose of disclosure in the Balance Sheet, investments are classified under six groups viz., (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Investments in Subsidiaries and Joint Ventures, and (vi) Other Investments.

3.3 Acquisition cost

- (i) Broken period interest on debt instruments is treated as a revenue item and not included in the Cost of acquisition.
- (ii) Brokerage, commission, etc. pertaining to investments, paid at the time of acquisition is charged to the Profit and Loss account.
- (iii) Cost of investments is computed based on the weighted average cost method.

3.4 Valuation of Investments

- (i) **Held to Maturity** – Each security in this category is carried at its acquisition cost. Any premium on acquisition of the security is amortised over the balance period to maturity. The amortized amount is classified under Interest earned – Income on investments (Item II of Schedule 13). The book value of the security is reduced to the extent of amount amortized during the relevant accounting period. Diminution, other than temporary, is determined and provided for each investment individually.

- (ii) **Held for Trading** – Securities are valued scrip-wise and depreciation / appreciation is aggregated for each classification. Net appreciation in each classification is ignored, while net depreciation is provided for.
- (iii) **Available for Sale** – Securities are valued scrip-wise and depreciation / appreciation is aggregated for each classification. Net appreciation in each classification is ignored, while net depreciation is provided for.
- (iv) Market value of government securities (excluding treasury bills) is determined on the basis of the prices / YTM published by Financial Benchmark India Private Limited (FBIL).
- (v) Treasury bills are valued at carrying cost, which includes discount amortised over the period to maturity.
- (vi) Fair value of other debt securities is determined based on the yield curve published by FBIL and credit spreads provided by Fixed Income Money Market and Derivatives Association (FIMMDA).
- (vii) Quoted equity shares are valued at lower of cost and the closing price on a recognised stock exchange. Unquoted equity shares are valued at their break-up value or at Re. 1 per company where the latest Balance Sheet is not available.
- (viii) Units of the schemes of mutual funds are valued at the lower of cost and Net Asset Value (NAV) provided by the respective schemes of mutual funds.
- (ix) Investments in equity shares held as long-term investments by erstwhile IndusInd Enterprises & Finance Limited and Ashok Leyland Finance Limited (since merged with the Bank) are valued at cost and classified as part of HTM category. Provision towards diminution in the value of such long-term investments is made only if the diminution in value is not temporary in the opinion of management.
- (x) Security Receipts (SR) are valued at the lower of redemption value and NAV obtained from the Securitisation Company (SC) / Reconstruction Company (RC). In respect of significant investment in SRs backed by stressed assets sold by the Bank, the value is subject to a prudential floor considering the asset classification of the stressed assets, had they remained on the books of the Bank.
- (xi) Purchase and sale transaction in securities are recorded under Settlement Date method of accounting, except in the case of the equity shares where Trade Date method of accounting is followed.
- (xii) Provision for non-performing investments is made in conformity with RBI guidelines.
- (xiii) Repurchase (Repo) and Reverse Repurchase (Reverse Repo) transactions (including transactions under Liquidity Adjustment Facility (LAF) with RBI) are accounted for as collateralised borrowing and lending respectively. On completion of the second leg of the Repo or Reverse Repo transaction, the difference between the consideration amounts is reckoned as Interest Expenditure or Income, as the case may be. Amounts outstanding in Repo and Reverse Repo account as at the Balance Sheet date is shown as part of Borrowings and Money at Call and at Short Notice respectively, and the accrued expenditure and income till the Balance Sheet date is recognised in the Profit and Loss account.
- (xiv) In respect of the short sale transactions in Central Government dated securities, the short position is covered by outright purchase of an equivalent amount of the same security within a maximum period of three months including the day of trade. The short position is reflected as the amount received on sale in a separate account and is classified under 'Other Liabilities'. The short position is marked to market and loss, if any, is charged to the Profit and Loss account, while gain, if any, is not recognized. Profit or loss on settlement of the short position is recognized in the Profit and Loss account.
- (xv) Profit in respect of investments sold from HTM category is included in the Profit on Sale of Investments and an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such profits) is appropriated from the Profit and Loss Appropriation account to Capital Reserve account. Profit or loss on sale or redemption of investment in AFS/ HFT category is recognised in the Profit and loss account.
- (xvi) In the event, provisions created on account of depreciation in the AFS or HFT categories are found to be in excess of the required amount in any year, the excess is credited to the Profit and Loss account and an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such excess provisions) is appropriated to an Investment Reserve Account (IRA).

The balance in IRA account is used to meet provision on account of depreciation in AFS and HFT categories by transferring an equivalent amount to the Profit and Loss Appropriation account as and when required.

- (xvii) Out of net profits earned during the year, transfer is made to Investment Fluctuation Reserve, for an amount not less than the lower of the (a) net profit on sale of investments during the year (b) net profit for the year less mandatory appropriations, till the balance in such Investment Fluctuation Reserve reaches a level of at least 2% of the aggregate HFT and AFS portfolio. Draw down, if any, from the Investment Fluctuation Reserve shall be in accordance with the applicable RBI guidelines.

- 3.5 Investments in unquoted units of Venture Capital Funds (VCF) and Alternative Investment Funds (AIF) are categorised under HTM category for initial period of three years and valued at cost as per RBI guidelines. Units of VCF and AIF held under AFS category, where current quotations are not available, are marked to market based on the Net Asset Value (NAV) shown by VCF or AIF as per the latest audited financials of the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at Re. 1 per VCF or AIF, as the case may be.

4. Derivatives

Derivative contracts are designated as hedging or trading and accounted for as follows:

- 4.1 The hedging contracts comprise of Forward Rate Agreements, Interest Rate Swaps, and Currency Swaps undertaken to hedge interest rate and currency risk on certain assets and liabilities. The net interest receivable or payable is accounted on an accrual basis over the life of the swaps. However, where the hedge is designated with an asset or liability that is carried at market value or lower of cost and market value, then the hedging instrument is also marked to market with the resulting gain or loss recorded as an adjustment to the market value of designated assets or liabilities.
- 4.2 The trading contracts comprise of trading in Interest Rate Swaps, Interest Rate Futures and Currency Futures. The gain or loss arising on unwinding or termination of the contracts, is accounted for in the Profit and Loss account. Trading contracts outstanding as at the Balance Sheet date are re-valued at their fair value and resulting gains or losses are recognised in the Profit and Loss account.
- 4.3 Gains or losses on the termination of hedge swaps is deferred and recognised over the shorter of the remaining life of the hedge swap or the remaining life of the underlying asset or liability.
- 4.4 Premium paid and received on currency options is accounted when due in the Profit and Loss Account.
- 4.5 Fair value of derivative is determined with reference to bid / asks quoted market price or by using valuation models. Where the fair value is calculated using valuation models, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to the present value. The valuation takes into consideration all relevant market factors (e.g. prices, interest rate, currency exchange rates, volatility, liquidity etc.). Most market parameters are either are directly observable or are implied from instrument prices. The model may perform numerical procedures in the pricing such as interpolation when input values do not directly correspond to the most actively traded market trade parameters.
- 4.6 Provisioning of overdue customer receivable on derivative contracts is made as per RBI guidelines.

5. Advances

- 5.1 Advances are classified as per RBI guidelines into standard, sub-standard, doubtful and loss assets after considering subsequent recoveries to date.
- 5.2 A general provision on standard assets is made in accordance with RBI guidelines. Such provision towards standard assets include a provision made on the standard advances of customers having Unhedged Foreign Currency Exposure (UFCE), which requires an assessment of the UFCE of a customer and estimation of the extent of loss likely to be suffered by the customer on account of the same. In respect of stressed advances which are not yet classified non-performing, contingent provisions are made prudentially. Provision made against standard assets is included in 'Other Liabilities and Provisions'.

- 5.3 Specific provisions for non-performing advances and floating provisions are made in conformity with RBI guidelines. In addition, the Bank considers accelerated provisioning based on past experience, evaluation of securities and other related factors.
- 5.4 For restructured/rescheduled assets, provision is made in accordance with the guidelines issued by RBI, which requires the diminution in the fair value of the assets to be provided at the time of restructuring. The restructured accounts are classified in accordance with RBI guidelines, including special dispensation wherever allowed.
- 5.5 In relation to non-performing derivative contracts, provisions is made in accordance with RBI guidelines for the entire amount of overdue and future receivables relating to positive marked to market value of the such derivative contracts.
- 5.6 Advances are disclosed in the Balance Sheet, net of specific provisions and interest suspended for non-performing advances, and floating provisions.
- 5.7 Advances exclude derecognised securitised advances, inter-bank participation certificates issued and bills rediscounted.
- 5.8 Amounts recovered during the year against bad debts written off in earlier years are recognised in the Profit and Loss account. Provision no longer considered necessary in the context of the current status of the borrower as a performing asset, are written back to the Profit and Loss account to the extent such provisions were charged to the Profit and Loss account.
- 5.9 Further to the provisions held according to the asset classification status, provision is held in accordance with RBI guidelines for individual country exposures (other than for home country exposure), where the net funded exposure of a country is one percent or more of the total assets. Provision held for country risk is included under 'Other Liabilities and Provisions'.

6. Securitisation transactions, direct assignments and other transfers

- 6.1 The Bank transfers its loan receivables both through Direct Assignment route as well as transfer to Special Purpose Vehicles ('SPV').
- 6.2 The securitization transactions are without recourse to the Bank. The transferred loans and such securitized receivables are de-recognized as and when these are sold (true sale criteria being fully met) and the consideration has been received by the Bank. Gains or losses are recognized only if the Bank surrenders the rights to the benefits specified in the loan contracts.
- 6.3 In terms of RBI guidelines, profit or premium arising on account of sale of standard assets, being the difference between the sale consideration and book value, is amortized over the life of the securities issued by the Special Purpose Vehicles (SPV). Any loss arising on account of the sale is recognized in the Profit and Loss account in the period in which the sale occurs.
- 6.4 In case of sale of non-performing assets through securitization route to Securitisation Company or Asset Reconstruction Company by way of assignment of debt against issuance of Security Receipts (SR), the recognition of sale and accounting of profit and loss thereon is done in accordance with applicable RBI guidelines. Generally, the sale is recognized at the lower of redemption value of SR and the Net Book Value (NBV) of the financial asset sold, and the surplus is recognized in the Profit and Loss Account; shortfall if any, is charged to the Profit and Loss account subject to regulatory forbearance, if any, allowed from time to time. Profit or loss realized on ultimate redemption of the SR is recognized in the Profit and Loss Account.
- 6.5 The Bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is *reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified under advances*. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown as due from banks under advances.

7. **Property, Plant and Equipment**

- 7.1 Fixed assets are stated at cost (except in the case of premises which were re-valued based on values determined by approved valuers) less accumulated depreciation and impairment, if any. Cost includes incidental expenditure incurred on the assets before they are ready for intended use.
- 7.2 The appreciation on account of revaluation is credited to Revaluation Reserve. Depreciation relating to revaluation is adjusted against the Revaluation Reserve.
- 7.3 Depreciation, including amortisation of intangible assets, is provided over the useful life of the assets, pro rata for the period of use, on a straight-line method. The useful life estimates prescribed in Part C of Schedule II to the Companies Act, 2013 are generally adhered to, except in respect of asset classes where, based on technical evaluation, a different estimate of useful life is considered suitable. Pursuant to this policy, the useful life estimates in respect of the following assets are as follows:
 - (a) Computers at 3 years
 - (b) Application software and perpetual software licences at 5 years
 - (c) Printers, Scanners, Routers, Switch at 5 years
 - (d) ATMs at 7 years
 - (e) Network cabling, Electrical Installations, Furniture and Fixtures, Other Office Machinery at 10 years.
 - (f) Vehicles at 5 years
 - (g) Buildings at 60 years.

The useful life of an asset class is periodically assessed taking into account various criteria such as changes in technology, changes in business environment, utility and efficacy of an asset class to meet with intended user needs, etc. Whenever there is a revision in the estimated useful life of an asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset.

- 7.4 The carrying amount of fixed assets is reviewed at the Balance Sheet date to determine if there are any indications of impairment based on internal / external factors. In case of impaired assets, the impairment loss i.e. the amount by which the carrying amount of the asset exceeds its recoverable value is charged to the Profit and Loss account to the extent the carrying amount of assets exceeds its estimated recoverable amount.

8. **Revenue Recognition**

- 8.1 Interest and discount income on performing assets is recognised on accrual basis. Interest and discount income on non-performing assets is recognised on realisation.
- 8.2 Interest on Government securities, debentures and other fixed income securities is recognised on a period proportion basis. Income on discounted instruments is recognised over the tenor of the instrument on a Constant Yield to Maturity method.
- 8.3 Dividend income is accounted on accrual basis when the right to receive dividend is established.
- 8.4 Commission (except for commission on Deferred Payment Guarantees which is recognised over the term on a straight line basis), Exchange and Brokerage are recognised on a transaction date and net of directly attributable expenses.
- 8.5 Fees are recognised on an accrual basis when binding obligation to recognise the fees has arisen as per agreement, except in cases where the Bank is uncertain of realisation.
- 8.6 Income from distribution of third party products is recognised on the basis of business booked.
- 8.7 The Bank in accordance with RBI circular FIDD.CO.Plan. BC.23/ 04.09.01/2015-16 dated April 7, 2016, trades in priority sector portfolio by selling or buying PSLC. There is no transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income'.

9. Operating Leases

- 9.1 Lease rental obligations in respect of assets taken on operating lease are charged to the Profit and Loss account on a straight-line basis over the lease term.
- 9.2 Assets given under leases in respect of which all the risks and benefits of ownership are effectively retained by the Bank are classified as operating leases. Lease rentals received under operating leases are recognized in the Profit and Loss account as per the terms of the contracts.

10. Employee Benefits

- 10.1 The Gratuity scheme of the Bank is a defined benefit scheme and the expense for the year is recognized on the basis of actuarial valuation at the Balance Sheet date. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that gives rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Payment obligations under the Group Gratuity scheme are managed through purchase of appropriate policies from insurers.
- 10.2 Provident Fund contributions, under defined benefit plan are made under trusts separately established for the purpose and the scheme administered by Regional Provident Fund Commissioner (RPFC), as applicable. The rate at which the annual interest is payable to the beneficiaries by the trusts is being administered by the government. The Bank has an obligation to make good the shortfall, if any, between the return from the investments of the trusts and the notified interest rates. Actuarial valuation of this Provident Fund interest shortfall is done as per the guidance note on Valuation of Interest Rate Guarantees on Exempt Provident Funds under AS 15 (Revised) issued by the Institute of Actuaries of India, and such shortfall, if any, is provided for.
- Provident Fund contributions, under defined contribution plan, as required by the statute made to the government provident fund or to a fund set up by the Bank and administered by a board of trustees is debited to the Profit and Loss Account when an employee renders the related service. The Bank has no further obligations.
- 10.3 Provision for compensated absences is made on the basis of actuarial valuation as at the Balance Sheet date. The actuarial valuation is carried out using the Projected Unit Credit Method.
- 10.4 Intrinsic value method is applied to account for the compensation cost of ESOP granted to the employees of the Bank. Intrinsic value is the amount by which the quoted market price of the underlying shares on the grant date exceeds the exercise price of the options. Accordingly, such compensation cost is amortized over the vesting period.

11. Segment Reporting

- 11.1 In accordance with the guidelines issued by RBI, the Bank has adopted Segment Reporting as under:
- (a) Treasury includes all investment portfolios, Profit / Loss on sale of Investments, Profit / Loss on foreign exchange transactions, equities, income from derivatives and money market operations. The expenses of this segment consist of interest expenses on funds borrowed from external sources as well as internal sources and depreciation / amortisation of premium on Held to Maturity category investments.
 - (b) Corporate / Wholesale Banking includes lending to and deposits from corporate customers and identified earnings and expenses of the segment.
 - (c) Retail Banking includes lending to and deposits from retail customers and identified earnings and expenses of the segment.
 - (d) Other Banking Operations includes all other operations not covered under Treasury, Corporate / Wholesale Banking and Retail Banking.
 - (e) Unallocated includes Capital and Reserves, Employee Stock Options (Grants) Outstanding and other unallocable assets, liabilities, income and expenses.

12. Debit and Credit Card reward points liability

- 12.1 The liability towards Credit Card reward points is computed based on an actuarial valuation and the liability towards Debit Card reward points is computed on the basis of management estimates considering past trends.

13. Bullion

- 13.1 The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are on a back-to-back basis and are priced to the customer based on the prevailing price quoted by the supplier and the local levies related to the consignment like customs duty, etc. The profit earned is included in commission income.
- 13.2 The Bank sells gold coins to its customers. The difference between the sale price to customers and purchase price is reflected under commission income.

14. Income-tax

- 14.1 Tax expenses comprise of current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized, in general, only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized; where there is unabsorbed depreciation and/or carry forward of losses under tax laws, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realized against future taxable income. Unrecognized deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

15. Earnings per share

- 15.1 Earnings per share is calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding as at end of the year.

16. Provisions, contingent liabilities and contingent assets

- 16.1 A provision is recognized when there is an obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- 16.2 A disclosure of contingent liability is made when there is:
 - (a) A possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the bank; or
 - (b) A present obligation arising from a past event which is not recognized as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- 16.3 When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
- 16.4 Contingent assets are not recognized or disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the assets and related income are recognized in the period in which the change occurs.

17. Cash and Cash equivalents

- 17.1 Cash and cash equivalents comprises of Cash in Hand and Balances with RBI and Balances with Banks and Money at Call and Short Notice.

18. Corporate Social Responsibility

- 18.1 Expenditure incurred towards corporate social responsibility obligations in accordance with Companies Act, 2013, is recognised in the Profit and Loss Account.

Schedule 18

Notes forming part of the Consolidated Financial Statements

1. Capital

Capital Issue

During the year ended March 31, 2019, 24,63,681 equity shares of ₹ 10 each fully paid (Previous year 20,74,482 equity shares of ₹10 each fully paid) aggregating to an amount of ₹ 100.54 crores (Previous year ₹ 101.97 crores) which includes the share capital and share premium, were allotted on various dates to the employees who exercised their stock options.

IndusInd Financial Inclusion Limited was incorporated on August 6, 2018 with an authorised share capital of ₹50 crores and has issued 7 shares of ₹ 10 each to the subscribers to the Memorandum of Association. The entire share capital is held by the Bank and its nominees.

2. Fixed Assets

2.1 Cost of premises includes ₹ 4.09 crores (Previous year ₹ 4.09 crores) in respect of properties for which execution of documents and registration formalities are in progress. Of these properties, the Group has not obtained full possession of one property having written down value of ₹ 1.48 crores (Previous year ₹ 1.51 crores) and has filed a suit for the same.

2.2 Computer software

The movement in fixed assets capitalized as computer software is given below:

(₹ in crores)		
Particulars	31 March, 2019	31 March, 2018
At cost at the beginning of the year	389.71	338.52
Addition during the year	78.01	51.19
Deduction during the year	0.03	-
Accumulated depreciation as at the end of the year	315.74	260.50
Closing balance as at the end of the year	151.95	129.21
Depreciation charge for the year	55.27	53.24

2.3 Premises owned by the Group were revalued as at March 31, 2019 in accordance with Groups policy and an amount of ₹ 29.69 crores (Previous year Nil) was debited to Revaluation Reserve Account.

2.4 Movement in depreciation of Fixed Assets

(₹ in crores)		
Depreciation	2018-19	2017-18
Premises		
At the beginning of the year	82.15	74.96
Transferred from Revaluation Reserve	6.03	6.13
Charge for the year	3.25	2.05
Deduction during the year	0.20	0.99
Depreciation to date	91.23	82.15
Other Fixed Assets		
At the beginning of the year	1,125.28	940.21
Charge for the year	225.60	209.59
Deduction during the year	33.67	24.52
Depreciation to date	1,317.21	1,125.28

3. **Contingent Liabilities**

The Group's pending litigations include claims against the Group by clients and counterparties and proceedings pending with tax authorities. The Group has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required, and disclosed as contingent liabilities where applicable. Claims against the Group not acknowledged as debts comprise of tax demands of ₹ 89.41 crores (Previous year ₹ 176.28 crores) in respect of which the Group is in appeal, and legal cases sub judice of ₹ 306.22 crores (Previous year ₹ 300.24 crores). The Group carries a provision of ₹ 4.52 crores (Previous year ₹ 4.52 crores) against cases sub judice. The amount of contingent liabilities is based on management's estimate, and it is not probable that any liability is expected to arise out of the same.

The Judgment of the Hon'ble Supreme Court dated February 28, 2019, in the matter of The Regional Provident Fund Commissioner (II) West Bengal vs. Vivekananda Vidyamandir and Ors sets out principles for computation of deduction towards Provident Fund where "basic wage" includes all emoluments paid to an employee as per the terms of his/ her contract of employment. The Judgment has also laid down the standards applicable to determine "basic wage" as that amount that is payable to all employees uniformly and is to be included within the definition of "basic wage". A review petition against this decision has been filed and is pending before the SC for disposal. Since there are no other directions from the EPFO and pending decision of the review petition on the subject, no liability is currently ascertainable and consequently no effect has been given in the financial statement.

4. The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law or an accounting standard for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.
5. There is no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Group (Previous year Nil).

6. **Corporate Social Responsibility (CSR)**

The Group has spent an amount of ₹ 55.46 crores (Previous year ₹ 20.47 crores) towards CSR initiatives through various projects in the areas of Environment (Watershed Development, Afforestation, Lake/Pond Rejuvenation), Education, Rural Development and Inclusiveness, Preventive Healthcare and Sports. Of the total CSR spends, no amount was incurred towards capital expenditure (Previous year ₹ 0.13 crores).

7. **Drawdown from Reserves**

During the year ended March 31, 2019 and year ended March 31, 2018, the Group did not draw down from the reserves.

8. On October 14, 2017, the Board of Directors of the Bank and Bharat Financial Inclusion Limited (BFIL), at their respective meetings, approved a merger of BFIL with the Bank in an all-stock transaction through a Composite Scheme of Arrangement (Scheme). The Competition Commission of India has approved the proposed Scheme and RBI has conveyed their 'No Objection' for the Scheme and an approval for incorporating a Wholly-Owned-Subsidiary to act as Business Correspondent of the Bank. The Scheme has received 'no adverse remarks' from the National Stock Exchange of India Limited and BSE Limited, basis the comments received from the Securities and Exchange Board of India. For the purposes of implementing the Scheme, IndusInd Financial Inclusion Limited (IFIL) has been incorporated on August 06, 2018 as a wholly owned subsidiary of the Bank. Pursuant to an order of National Company Law Tribunal (NCLT), the following meetings were convened: (a) shareholders' meeting of the Bank, on December 11, 2018; (b) shareholders' meeting and creditors' meetings of BFIL, on December 11, 2018; and (c) shareholders' meeting of IFIL, on December 7, 2018. The shareholders and creditors of the Bank, BFIL and IFIL, as applicable, have approved the Scheme at the aforesaid meetings. The petition filed with NCLT to sanction the Scheme was heard on April 23, 2019 and the matter was reserved by the NCLT for final order. Accordingly, the proposed Scheme has not been given effect to in the consolidated profit for the year ended March 31, 2019 or the consolidated balance sheet as at that date.

9. Employee Stock Option Scheme (ESOS)

9.1 The shareholders of the Bank approved Employee Stock Option Scheme (ESOS 2007) on September 18, 2007. ESOS enables the Board and the Compensation Committee to grant such number of stock options of the Bank not exceeding 7% of the aggregate number of issued and paid up equity shares of the Bank, in line with the guidelines issued by the SEBI. The options vest within a maximum period of five years from the date of grant of option. The exercise price for each grant is decided by the Compensation Committee, which is normally based on the latest available closing price. Upon vesting, the options have to be exercised within a maximum period of five years. The stock options are equity settled where the employees will receive one equity share per stock option.

Pursuant to the ESOS 2007 scheme, the Compensation Committee of the Bank has granted 4,18,91,300 options as set out below:

Sr. No	Date of grant	2018-19		2017-18	
		No of options	Range of exercise price (₹)	No of options	Range of exercise price (₹)
1.	18-Jul-08	1,21,65,000	48.00 - 50.60	1,21,65,000	48.00 - 50.60
2.	17-Dec-08	34,56,000	38.95	34,56,000	38.95
3.	05-May-09	8,15,500	44.00	8,15,500	44.00
4.	31-Aug-09	3,18,500	100.05	3,18,500	100.05
5.	28-Jan-10	7,47,000	48.00 - 140.15	7,47,000	48.00 - 140.15
6.	28-Jun-10	13,57,450	196.50	13,57,450	196.50
7.	14-Sep-10	73,500	236.20	73,500	236.20
8.	26-Oct-10	1,43,500	274.80	1,43,500	274.80
9.	17-Jan-11	25,00,000	228.70	25,00,000	228.70
10.	07-Feb-11	20,49,000	95.45 - 220.45	20,49,000	95.45 - 220.45
11.	24-Jun-11	21,54,750	253.60	21,54,750	253.60
12.	16-Aug-11	89,500	254.90	89,500	254.90
13.	30-Sep-11	2,61,000	262.25	2,61,000	262.25
14.	21-Dec-11	9,20,000	231.95	9,20,000	231.95
15.	29-Feb-12	1,95,000	304.05	1,95,000	304.05
16.	19-Apr-12	1,40,500	345.60	1,40,500	345.60
17.	25-May-12	1,34,500	304.55	1,34,500	304.55
18.	10-Jul-12	2,67,000	343.25	2,67,000	343.25
19.	29-Aug-12	1,14,000	319.05	1,14,000	319.05
20.	10-Oct-12	23,500	365.75	23,500	365.75
21.	09-Jan-13	30,000	433.75	30,000	433.75
22.	18-Apr-13	12,500	419.60	12,500	419.60
23.	20-Jun-13	1,75,000	478.45	1,75,000	478.45
24.	18-Jul-13	18,35,000	453.90	18,35,000	453.90
25.	23-Sep-13	75,000	411.50	75,000	411.50
26.	29-Oct-13	22,000	412.25	22,000	412.25
27.	29-Jan-14	7,67,500	300.00 - 389.85	7,67,500	300.00 - 389.85
28.	25-Mar-14	1,76,500	490.30	1,76,500	490.30
29.	15-May-14	65,500	537.05	65,500	537.05

Sr. No	Date of grant	2018-19		2017-18	
		No of options	Range of exercise price (₹)	No of options	Range of exercise price (₹)
30.	02-Jun-14	32,69,500	533.95	32,69,500	533.95
31.	09-Jul-14	33,000	551.10	33,000	551.10
32.	13-Oct-14	74,500	623.25	74,500	623.25
33.	17-Jan-15	47,500	831.85	47,500	831.85
34.	23-Feb-15	48,000	876.80	48,000	876.80
35.	30-Mar-15	11,000	880.75	11,000	880.75
36.	22-May-15	52,600	848.20	52,600	848.20
37.	24-Jul-15	16,30,000	949.80	16,30,000	949.80
38.	21-Sep-15	1,93,000	918.65	1,93,000	918.65
39.	04-Nov-15	93,500	911.85	93,500	911.85
40.	12-Jan-16	10,33,500	886.75 – 936.75	10,33,500	886.75 – 936.75
41.	12-May-16	13,500	1,053.75	13,500	1,053.75
42.	11-Jul-16	25,000	1,126.70	25,000	1,126.70
43.	23-Aug-16	2,76,000	1,186.75	2,76,000	1,186.75
44.	10-Oct-16	18,51,000	1,220.85	18,51,000	1,220.85
45.	16-Nov-16	33,500	1,093.10	33,500	1,093.10
46.	27-Jan-17	21,500	1,265.40	21,500	1,265.40
47.	24-Mar-17	49,000	1,383.90	49,000	1,383.90
48.	19-Apr-17	16,000	1,431.75	16,000	1,431.75
49.	09-May-17	69,000	1,424.85	69,000	1,424.85
50.	19-Jun-17	38,500	1,498.90	38,500	1,498.90
51.	11-Jul-17	35,000	1,560.35	35,000	1,560.35
52.	12-Oct-17	69,000	1,717.25	69,000	1,717.25
53.	11-Jan-18	43,000	1,734.10	43,000	1,734.10
54.	27-Mar-18	15,23,000	1,759.75	15,23,000	1,759.75
55.	08-May-18	64,000	1,889.80		
56.	28-Sep-18	1,09,000	1,682.00		
57.	20-Mar-19	85,000	1,725.20		

9.2 Recognition of expense

The Group follows the intrinsic value method to recognize employee costs relating to ESOS, in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the ICAI. Excess of fair market price over the exercise price of an option at the grant date, is recognized as a deferred compensation cost and amortized on a straight-line basis over the vesting period of such options. The compensation so recognised in respect of which exercise of options is outstanding, is shown as Employee Stock Options Outstanding on the face of the Balance Sheet.

The fair market price is the latest closing price prior to the date of the meeting of the Compensation Committee in which stock options are granted, available on the stock exchange on which the shares of the Bank are listed. Since shares are listed on more than one stock exchange, the exchange where the Bank's shares have been traded highest on the said date is considered for this purpose.

9.3 Stock option activity under the scheme during the year

	2018-19		2017-18	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	1,13,16,874	854.18	1,17,32,111	657.14
Granted during the year	2,58,000	1,747.78	17,93,500	1,732.20
Forfeited / surrendered during the year	1,24,610	1,591.98	1,31,275	985.11
Exercised during the year	24,63,681	408.10	20,74,482	491.52
Expired during the year	2,310	253.60	2,980	253.41
Outstanding at the end of the year	89,84,273	992.08	1,13,16,874	854.18
Options exercisable at the end of the year	68,40,698	816.40	71,11,745	548.15

The weighted average price of options exercised during the year is ₹ 1,554.61 (Previous year ₹ 1,626.08).

Following table summarizes the information about stock options outstanding as at March 31, 2019:

Date of grant	2018-19			2017-18		
	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)
28-Jan-10 A				48.00	4,00,000	0.84
28-Jun-10				196.50	18,662	0.24
17-Jan-11	228.70	1,70,000	-	228.70	8,40,000	0.82
07-Feb-11 A				220.45	1,07,500	0.86
24-Jun-11	253.60	17,620	0.23	253.60	61,333	0.88
21-Dec-11	231.95	2,53,000	0.73	231.95	4,03,000	1.36
29-Feb-12	304.05	34,000	0.92	304.05	67,000	1.43
19-Apr-12	345.60	29,000	1.05	345.60	39,500	1.70
25-May-12	304.55	3,093	1.15	304.55	5,675	1.16
10-Jul-12	343.25	1,47,400	1.28	343.25	1,47,400	1.79
10-Oct-12	365.75	2,700	1.53	365.75	3,750	1.88
20-Jun-13	478.45	27,000	2.22	478.45	28,500	3.12
18-Jul-13	453.90	1,46,480	2.30	453.90	2,50,630	2.60
23-Sep-13	411.50	10,000	2.48	411.50	10,000	2.49
29-Oct-13	412.25	2,560	2.58	412.25	3,560	3.58
29-Jan-14	389.85	2,030	2.84	389.85	9,100	3.40
29-Jan-14 A	300.00	7,00,000	2.84	300.00	7,00,000	2.84
25-Mar-14	490.30	1,25,000	2.99	490.30	1,25,510	3.00
15-May-14	537.05	3,000	3.13	537.05	8,765	3.58
02-Jun-14	533.95	13,66,510	3.18	533.95	18,08,320	3.30
09-Jul-14	551.10	1,700	3.28	551.10	1,700	4.28

Date of grant	2018-19			2017-18		
	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)
13-Oct-14	623.25	20,100	3.54	623.25	23,865	3.72
17-Jan-15	831.85	37,000	3.80	831.85	38,150	3.84
23-Feb-15	876.80	1,040	3.90	876.80	1,040	4.56
30-Mar-15	880.75	8,380	4.00	880.75	9,000	4.01
22-May-15	848.20	5,000	4.15	848.20	41,114	4.27
24-Jul-15	949.80	7,85,210	4.32	949.80	10,97,095	4.50
21-Sep-15	918.65	11,000	4.48	918.65	70,760	5.27
04-Nov-15	911.85	58,580	4.60	911.85	61,040	4.68
12-Jan-16	936.75	2,345	4.79	936.75	3,500	4.80
12-Jan-16	886.75	10,00,000	4.79	886.75	10,00,000	4.80
12-May-16	1,053.75	3,275	5.12	1,053.75	8,510	5.25
11-Jul-16	1,126.70	16,890	5.28	1,126.70	22,420	5.41
23-Aug-16	1,186.75	1,99,180	5.40	1,186.75	2,04,340	5.65
10-Oct-16	1,220.85	17,83,680	5.53	1,220.85	18,17,340	5.56
16-Nov-16	1,093.10	6,520	5.64	1,093.10	23,270	6.09
27-Jan-17	1,265.40	16,550	5.83	1,265.40	19,025	5.97
24-Mar-17	1,383.90	47,990	5.99	1,383.90	49,000	6.00
19-Apr-17	1,431.75	14,020	6.06	1,431.75	16,000	6.07
09-May-17	1,424.85	69,000	6.11	1,424.85	69,000	6.12
19-Jun-17	1,498.90	33,420	6.22	1,498.90	38,500	6.23
11-Jul-17	1,560.35	35,000	6.28	1,560.35	35,000	6.29
12-Oct-17	1,717.25	65,000	6.54	1,717.25	69,000	6.55
11-Jan-18	1,734.10	43,000	6.79	1,734.10	43,000	6.80
27-Mar-18	1,759.75	14,23,000	6.99	1,759.75	15,17,000	7.00
08-May-18	1,889.80	64,000	7.11			
28-Sep-18	1,682.00	1,09,000	7.50			
20-Mar-19	1,725.20	85,000	7.98			

9.4 Fair value methodology:

The fair value of options granted during the year has been estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	2018-19
Average dividend yield	0.40 - 0.45%
Expected volatility	22.51 - 28.30%
Risk free interest rates	6.91 - 8.09%
Expected life of options (in years)	4.52

Expected volatility is a measure of the amount by which the equity share price is expected to fluctuate during a period. The measure of volatility used in Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the share over a period of time. Expected volatility has been

computed by considering the historical data on daily volatility in the closing equity share price on the National Stock Exchange of India Limited (NSE), over a prior period equivalent to the expected life of the options, till the date of the grant.

The stock-based compensation cost calculated as per the intrinsic value method for the year ended March 31, 2019 is ₹ 0.30 crores (Previous year ₹ 1.21 crores). Had the Bank adopted the Black - Scholes model based fair valuation, compensation cost for the year ended March 31, 2019, would have increased by ₹91.80 crores (Previous year ₹ 68.81 crores) and the pro forma profit after tax would have been lower by ₹ 59.72 crores (Previous year ₹ 44.99 crores). On a pro forma basis, the basic and diluted earnings per share would have been as follows:

Particulars	March 31, 2019	March 31, 2018
Pro forma basis		
Basic earnings per share ₹	54.89	59.44
Diluted earnings per share ₹	54.45	58.82

The weighted average fair value of options granted during the year 2018-19 is ₹594.84 (Previous year ₹ 593.37).

10. Disclosures – Accounting Standards

10.1 Employee Benefits (AS-15)

Gratuity:

Gratuity is a defined benefit plan. The Bank has obtained qualifying insurance policies from insurance companies approved by the IRDA. The following table presents a summary of the components of net expenses recognized in the Profit and Loss account and funded status and amounts recognized in the Balance Sheet, on the basis of actuarial valuation.

(₹ in crores)			
		March 31, 2019	March 31, 2018
	Changes in the present value of the obligation		
1.	Opening balance of Present Value of Obligation	89.48	75.31
2.	Interest Cost	6.31	5.05
3.	Current Service Cost	17.94	16.44
4.	Benefits Paid	(11.43)	(6.40)
5.	Actuarial loss / (gain) on Obligation	8.22	(0.92)
6.	Closing balance of Present Value of Obligation	110.52	89.48
	Reconciliation of opening and closing balance of the fair value of the Plan Assets		
1.	Opening balance of Fair value of Plan Assets	93.52	81.53
2.	Adjustment to Opening Balance	0.27	0.66
3.	Expected Return on Plan assets	7.00	6.54
4.	Expenses	-	-
5.	Contributions	29.46	15.51
6.	Benefits Paid	(11.43)	(6.40)
7.	Actuarial gain / (loss) on Plan Assets	(1.85)	(4.32)
8.	Closing balance of Fair Value of Plan Assets	116.97	93.52

(₹ in crores)

		March 31, 2019	March 31, 2018
	Profit and Loss – Expenses		
1.	Current Service Cost	17.94	16.44
2.	Interest Cost	6.31	5.05
3.	Expected Return on Plan assets	(7.01)	(6.54)
4.	Expenses	-	-
5.	Net Actuarial loss recognised in the year	10.07	3.40
6.	Expenses recognised in the Profit and Loss account	27.31	18.35
	Funded status	100% insurance managed funds	100 % insurance managed funds
	Actuarial Assumptions		
1.	Discount Rate	7.50-7.68%	7.55%
2.	Expected Rate of Return on Plan Assets	4.22%	6.50%
3.	Expected Rate of Salary Increase	5.00%	5.00%
4.	Employee Attrition Rate		
-	Past Service 0 to 5 years	30.00%	30.00%
-	Past Service above 5 years	0.50%	0.50%

Estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Experience Adjustment

(₹ in crores)

Particulars	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Defined Benefit Obligations	110.52	89.48	75.31	61.67	46.38
Plan Assets	116.97	93.52	81.53	65.34	49.58
Surplus / (Deficit)	6.45	4.04	6.21	3.67	3.20
Experience Adjustments on Plan Liabilities	(8.21)	0.92	(4.07)	(7.60)	(4.25)
Experience Adjustments on Plan Assets	(1.85)	(4.32)	1.22	(0.80)	(0.35)

Contributions expected to be paid to the plan during the annual period beginning after the Balance Sheet date is ₹ 35 crores (Previous year ₹ 28 crores).

Provident Fund

Contribution towards Provident Fund are made to trusts separately established for the purpose and the scheme administered by Regional Provident Fund Commissioner (RPFC), as applicable. In accordance with the guidance note on Valuation of Interest Rate Guarantees on Exempt Provident Funds under AS 15 (Revised) issued by the Institute of Actuaries of India, interest shortfall is provided for based on actuarial valuation.

The details of the fund and plan assets position as at March 31, 2019, are as follows:

(₹ in crores)		
Assets/ Liabilities	March 31, 2019	March 31, 2018
Present value of Interest Rate guarantee on Provident Fund	1.75	0.99
Present value of Total Obligation	195.52	165.01
Fair value of Plan Assets	197.08	164.86
Net asset / (liability) recognized in the Balance Sheet	1.56	(0.15)
Assumptions		
Normal Retirement age	60 years	60 years
Expected guaranteed interest on PF in future	8.65%	8.55%
Discount rate	7.60-7.80%	7.55%
Expected average remaining working lives of employees (years)	11.16-24.91	7.02-8.60
Benefit on normal retirement	Accumulated account balance with interest rate equal to or more than EPFO Rate	Accumulated account balance with interest rate equal to or more than EPFO Rate
Benefit on early retirement/withdrawal/resignation	Same as normal retirement benefit	Same as normal retirement benefit
Benefit on death in service	Same as normal retirement benefit	Same as normal retirement benefit

Compensated Absence

Provision for compensated absences is made on the basis of actuarial valuation as at the Balance Sheet date. The actuarial valuation is carried out using the Projected Unit Credit Method. The details of the fund and plan assets position are as follows:

(₹ in crores)		
	March 31, 2019	March 31, 2018
Total actuarial liability	65.09	51.24
Total expense included in Schedule 16(I)	17.06	11.10
Assumptions		
Discount Rate	7.68%	7.55%
Salary escalation rate	5.00%	5.00%

10.2 Segment Reporting (AS 17)

The Group operates in four business segments, viz. Treasury, Corporate / Wholesale Banking, Retail Banking and Other Banking Operations. There are no significant residual operations carried by the Group.

Business Segments

(₹ in crores)

Business Segment	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operation		Total	
Particulars	31/03/19	31/03/18	31/03/19	31/03/18	31/03/19	31/03/18	31/03/19	31/03/18	31/03/19	31/03/18
Revenue	4,417.55	4,095.20	9,044.90	7,036.38	15,052.34	11,779.15	69.69	72.75	28,584.48	22,983.48
Inter Segment Revenue									(676.61)	(952.63)
Total Income									27,907.87	22,030.85
Result	483.58	605.79	2,790.64	2,124.05	5,019.61	4,112.51	23.24	25.40	8,317.07	6,867.75
Unallocated Expenses									(229.46)	(211.64)
Operating Profit									8,087.61	6,656.11
Provisions and Contingencies (other than tax)									(3,107.65)	(1,175.43)
Tax Expenses									(1,679.47)	(1,874.69)
Extraordinary profit/ loss									-	-
Net Profit									3,300.48	3,605.99
Add : Share of Profit in Associate									0.27	0.13
Net Profit									3,300.75	3,606.12
Other Information:										
Segment Assets	69,884.49	56,969.78	83,007.71	68,167.50	1,14,130.74	86,296.31	-	-	2,67,022.94	2,11,433.59
Unallocated Assets									10,797.76	10,192.57
Total Assets									2,77,820.70	2,21,626.16
Segment Liabilities	47,955.99	38,717.43	87,976.08	67,234.30	1,08,289.81	85,833.83	-	-	2,44,221.88	1,91,785.56
Unallocated Liabilities									33,598.82	29,840.60
Total Liabilities									2,77,820.70	2,21,626.16

Note:

Fixed Assets, tax paid in advance and tax deducted at source (net of provisions), stationery and stamps, non-banking assets acquired in satisfaction of claims, and others which cannot be allocated to any segments, have been classified as unallocated assets; Depreciation on Fixed Assets has been classified as unallocated expenses. The unallocated liabilities include share capital, employee stock option outstanding, reserves and surplus, proposed dividend and others.

Geographic Segments:

The business operations of the Group are largely concentrated in India. Activities outside India are restricted to resource mobilization in the international markets and lending to a few overseas entities through the IFSC Banking Unit at the GIFT City Gujarat. Since the Bank does not have material earnings emanating from foreign operations, the Bank is considered to operate only in domestic segment.

10.3 Related party transactions (AS-18)

The following is the information on transactions with related parties:

Key Management Personnel

Mr. Romesh Sobti, Managing Director

Associates

IndusInd Marketing and Financial Services Private Limited

Subsidiaries

The Group has incorporated a wholly owned subsidiary named IndusInd Financial Inclusion Limited during the financial year ended March 31, 2019. The aforesaid subsidiary company is yet to commence its operations as on March 31, 2019.

In accordance with RBI guidelines, details pertaining to the related party transactions have not been provided as there is only one related party in each of the above categories.

10.4 Operating Leases (AS 19)

The Bank has taken a number of premises on operating lease for branches, offices, ATMs and residential premises for staff. The Bank has not given any assets on operating lease. The details of maturity profile of future operating lease payments are given below:

	(₹ in crores)	
	March 31, 2019	March 31, 2018
Future lease rentals payable as at the end of the year:		
- Not later than one year	316.51	325.04
- Later than one year but not later than five years	1,021.65	928.41
- Later than five years	523.24	326.12
Total of minimum lease payments recognized in the Profit and Loss Account for the year	298.40	280.11
Total of future minimum sub-lease payments expected to be received under non-cancellable sub-lease	-	-
Sub-lease payments recognized in the Profit and Loss account for the year	-	-

The Group has not sub-let any of the properties taken on lease. There are no provisions relating to contingent rent.

The terms of renewal and escalation clauses are those normally prevalent in similar agreements. There are no undue restrictions or onerous clauses in the agreements.

10.5 Earnings per share (AS 20)

The dilutive impact is mainly due to stock options granted to employees by Bank. Details pertaining to earnings per share as per AS 20 are as under:

	For the Year ended	
	March 31, 2019	March 31, 2018
Net Profit after tax (₹ in crores)	3,300.48	3,605.99
Basic weighted average number of equity shares	60,13,45,091	59,90,63,006
Diluted weighted average number of equity shares	60,61,87,857	60,53,75,114
Nominal value of Equity Shares (₹)	10	10
Basic Earnings per Share (₹)	54.89	60.19
Diluted Earnings per Share (₹)	54.45	59.57

The difference between weighted average number of equity shares outstanding between basic and diluted in the above mentioned disclosure is on account of outstanding ESOPs.

10.6 Deferred Tax (AS 22)

The major components of deferred tax assets / liabilities are as under:

(₹ in crores)

Timing difference on account of	March 31, 2019 Deferred Tax		March 31, 2018 Deferred Tax	
	Assets	Liabilities	Assets	Liabilities
Difference between depreciation as per the books of account and depreciation under the Income Tax Act, 1961	-	8.47	-	16.68
Difference between Provisions for doubtful debts and advances and amount allowable under Section 36(1)(viii) of the Income Tax Act, 1961	976.24	-	597.72	-
Difference between income as per the books of account and income offered under the Income Tax Act, 1961	-	352.76	-	252.84
Others	56.08	-	49.60	-
Sub-total	1,032.32	361.23	647.32	269.52
Net closing balance carried to the Balance Sheet (included in Sch. 11 – Others)	671.09		377.80	

Provision for taxation during the year

(₹ in crores)

Particulars	March 31, 2019	March 31, 2018
Current tax	1,972.76	1,900.02
Incremental deferred tax asset net of deferred tax liability (Refer Note 11.1 of Schedule 18)	(293.29)	(25.33)
Total	1,679.47	1,874.69

11. Additional Disclosures
11.1 Provisions and Contingencies charged to the Profit and Loss account for the year consist of:

(₹ in crores)

Particulars	March 31, 2019	March 31, 2018
Depreciation on Investments	173.47	120.87
Provision for non-performing assets including bad debts written off (net of write backs)	2,719.01	900.90
Income Tax / Deferred Tax (Refer Note 10.6 of Schedule 18)	1,679.47	1,874.69
Other Provision and Contingencies (includes floating provision, provision towards standard assets and others)	215.16	153.66
Total	4,787.12	3,050.12

11.2 Proposed Dividend:

The Board of Directors, in their meeting held on May 22, 2019 have proposed a final dividend of ₹7.50 per equity share amounting to ₹544.93 crores, inclusive of corporate dividend tax. The proposal is subject to the approval of shareholders at the ensuing 25th Annual General Meeting and accordingly, this proposed dividend amounting to ₹544.93 crores is not recognised as a liability on March 31, 2019 and the same has not been considered as an appropriation from the Profit and Loss Account for the year ended March 31, 2019.

Dividend for the year ended March 31, 2018 paid during the year pursuant to the approval of the shareholders at the 24th Annual General Meeting, at the rate of ₹7.50 per equity share amounting to ₹542.94 crores including corporate dividend tax, has been considered as an appropriation from the Profit and Loss Account during the year.

11.3 Additional information for consolidated accounts (Pursuant to Schedule III of Companies Act, 2013)

(₹ in crores)

Name of the Subsidiary	Net Assets *				Share in Profit or Loss			
	2018-19		2017-18		2018-19		2017-18	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount
IndusInd Bank Limited	100.00%	26,687.25	100.00%	23,843.26	100.01%	3,301.10	100.00%	3,605.99
Subsidiary								
IndusInd Financial Inclusion Limited	0.00%	0.00	-	-	(0.02%)	(0.61)	-	-
Associate								
IndusInd Marketing and Financial Services Pvt Ltd	-	-	-	-	0.01%	0.27	0.00%	0.13
Total	100.00%	26,687.25	100.00%	23,843.26	100.00%	3,300.75	100.00%	3,606.12

* Total assets – Total Liability

11.4 Disclosure on Remuneration**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee (NRC) presently comprises four members, three of whom are Independent Directors. On aspects relating to remuneration, the mandate of the NRC is to establish, implement and maintain remuneration policies, procedures and practices that help to achieve effective alignment between remuneration and risks. The NRC is also mandated to oversee framing, implementation and review of the Compensation Policy of the Bank as per RBI guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Risk Takers and Control function staff. The NRC is also required to ensure that the cost to income ratio of the Bank supports the remuneration expense of the Bank consistent with the objective of maintaining sound capital adequacy ratio. The Nomination and Remuneration Committee also reviews compensation policies of the Bank with a view to attract, retain and motivate employees.

Compensation Policy

The Compensation Policy is formulated by the Board in alignment with the RBI guidelines and covers all components of compensation including fixed pay, variable pay, perquisites, retirement benefits as Provident Fund and Gratuity and Employee Stock Options.

The key objectives of the policy are:

- Benchmark employee compensation for various job positions and skills with that of the market.
- Maintain an optimal balance between fixed and variable pay
- Pay for 'Position, Performance and Person'.
- Build employee ownership and long term association through long term incentive plans (ESOPs)

Some of the important features of the Compensation Policy are as follows:

- The Bank has identified "Risk Takers and Risk Controllers" separately. Risk Takers includes all employees in Grades Senior Vice President 3 (SVP3) and above belonging to the business line functions of Corporate & Commercial Banking Group, Global Markets Group, Transaction Banking Group, Gems and Jewellery business, Consumer Banking and Consumer Finance Division, whose functioning and decisioning impacts the Bank materially on tangible financial performance aspects of revenues, costs, and profits. Risk Controllers are employees in Grades SVP3 and above belonging to the business support functions of Operations, Finance & Accounts, Information Technology, Secretarial, Credit, Risk, Financial Restructuring

& Reconstruction Group, Credit Quality Loan Assurance Review, Human Resources, Inspection and Audit, Investor Relations, Marketing, Client Experience and Quality etc., who support the business line functions through back office processes and activities and their functioning does not have a revenue impact through business generation on the Bank's financial performance.

- (ii) The Nomination and Remuneration Committee will oversee the framing, implementation and review of the Compensation Policy.
- (iii) In respect of WTDs / CEO / Risk Takers / Control function staff of the Bank, the Compensation policy provides for a reasonable annual increase in fixed pay in line with the market benchmarks. Their individual increments are linked to their annual performance rating and increment percentages at various performance rating levels, are decided on the basis of the financial performance of the Bank. Exceptions are restricted to a select few high performers to reward performance, motivate and retain critical employees.
- (iv) The quantum of overall variable pay to be disbursed in a year for all eligible employees including the Risk Takers and Risk Controllers as defined above would vary from year to year on the basis of the financial performance of the Bank measured through various parameters such as Net Interest Margin, Net Interest Income, Return on Assets, Profit After Tax and Return on Equity.
- (v) Employee Compensation is linked to performance. Increments and variable pay are linked to their annual performance rating. Annual Performance Rating for an employee is arrived on the basis of tangible performance against pre-set Key Results Areas (KRAs) / measurable objectives set at the beginning of the financial year.
- (vi) The individual variable pay is linked to the annual performance rating, and based on variable pay grids that outline variable pay as a percentage of Annual Guaranteed cash at various rating levels for a grade band. Exceptional increments and variable pay may be paid to select high performers, but in no case they would violate the stipulated RBI guidelines. The Bank also makes a distinction between Risk Takers and Risk Controllers and incorporates separate parameters on variable pay for these segments in its Compensation Policy.
- (vii) The individual variable pay would not exceed 70% of the fixed pay. Wherever variable pay exceeds a substantial portion of fixed pay as defined by the Bank, (currently set at 65% of fixed pay), the variable pay will be deferred over a period of 3 years in a ratio to be decided by the management in accordance with the RBI guidelines.
- (viii) The Bank will implement malus / claw-back arrangements with the concerned employees in case of deferred variable pay as defined above. The criteria would be negative contributions to the bank and/or relevant line of business in any year. As applicable, malus arrangement would adjust deferred remuneration before vesting and claw-back arrangement would adjust deferred remuneration after vesting.
- (ix) The Compensation Policy does not provide for guaranteed bonus or sign on bonus in cash. However, in case of select critical hires, sign on bonus can be granted in form of pre-hiring ESOPs (a one-time grant made at the time of joining). The Compensation Policy does not provide for severance pay for any employee of the Bank, irrespective of the reasons for severance.
- (x) Retirement benefits in the form of Provident Fund and Gratuity are as per the Bank's HR policies which are in line with the statutory norms.
- (xi) Perquisites are laid down in HR Policies of the Bank.
- (xii) At present, the Bank uses cash based form of variable compensation. Cash based form of variable compensation is easy to administer and leads to an instant reward to the concerned employees.
- (xiii) ESOPs do not form a part of the variable pay and are kept outside the computation of total compensation of an employee. They are very selectively granted to attract and retain talent. ESOPs are not granted with a defined periodicity. ESOP grant criteria include grade of the employee, criticality of the position in terms of business contribution, market value of the position, and performance and behavioural track record of the employee.

Other Disclosures

	Year ended March 31, 2019	Year ended March 31, 2018
Number of meetings held by NRC during the financial year and remuneration paid to its members	During the year, six meetings of the NRC were held and the members were paid aggregate sitting fees of ₹ 3,60,000 for the six meetings.	During the year, five meetings of the NRC were held and the members were paid aggregate sitting fees of ₹ 4,60,000 for the five meetings.
Number of employees having received a variable remuneration award during the financial year	116 employees belonging to the category of WTD / CEO / Risk Takers/Other Control function staff had received a variable remuneration award	102 employees belonging to the category of WTD / CEO / Risk Takers/Other Control function staff had received a variable remuneration award
Number and total amount of 'sign on' awards made during the financial year	-	-
Details of guaranteed bonus if any paid as sign on bonus	-	-
Details of severance pay in addition to the accrued benefits	-	-
Total amount of outstanding deferred remuneration split into cash, shares and share linked instruments and other forms	The outstanding deferred remuneration is ₹ 2.15 crores to be paid as cash in FY 2019-20 and FY 2020-21	The outstanding deferred remuneration is ₹ 1.86 crores to be paid as cash in FY 2018-19 and FY 2019-20
Total amount of deferred remuneration paid out in the financial year	The deferred remuneration paid during the year 2018-19 was ₹ 1.72 crores	The deferred remuneration paid during the year 2017-18 was ₹ 1.47 crores
Breakdown of amount of remuneration awards for the financial year	<p>Breakup of remuneration awards for the 126 employees defined as WTD / CEO / Risk Takers/ Other control function staff</p> <p>(a) Fixed pay – ₹ 166.86 crores</p> <p>(b) Variable pay – ₹ 64.94 crores for FY 2017-18</p> <p>(c) Deferred remuneration – ₹ 2.15 crores</p> <p>(d) Non-deferred remuneration – ₹ 62.79 crores</p>	<p>Breakup of remuneration awards for the 111 employees defined as WTD / CEO / Risk Takers/ Other control function staff</p> <p>(a) Fixed pay – ₹ 140.20 crores</p> <p>(b) Variable pay – ₹ 55.49 crores for FY 2016-17</p> <p>(c) Deferred remuneration – ₹ 1.86 crores</p> <p>(d) Non-deferred remuneration – ₹ 53.63 crores</p>
Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and implicit adjustments.	-	-
Total amount of reductions during the FY due to ex – post explicit adjustments	-	-
Total amount of reductions during the FY due to ex – post implicit adjustments	-	-

Disclosure on remuneration to Non-Executive Directors:

The Non-Executive Directors are paid Sitting Fees for attending meetings of the Board at the rate of ₹ 1,00,000/- per meeting, at the rate of ₹ 50,000/- per meeting of the Audit Committee of the Board, the Committee of Directors (CoD), and the Risk Management Committee, and at the rate of ₹ 20,000/- per meeting, in respect of all the other Committees. An amount of ₹ 1.44 crores was paid as sitting fees to the Non-Executive Directors during the year ended March 31, 2019 (Previous year ₹ 1.28 crores). In accordance with RBI guidelines and the approval accorded at the 22nd Annual General Meeting, an amount of ₹ 0.86 crores (Previous year ₹ 0.93 crores) has been paid as remuneration to Non-Executive Directors during the year ended March 31, 2019.

12. The Group has not undertaken any transactions in Credit Default Swaps (CDS) during the year ended March 31, 2019 (Previous year Nil).
13. Previous year's figures have been regrouped / reclassified wherever necessary.
14. Additional statutory information disclosed in the separate financial statements of the Bank and Subsidiary having no material bearing on the true and fair view of the consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statement.

As per our report of even date.

For INDUSIND BANK LIMITED

For S R Batliboi & Co. LLP

Chartered Accountants

Firm Registration No: 301003E/E300005

per Viren H Mehta

Partner

Membership No: 048749

Place : Mumbai

Date : May 22, 2019

R. Seshasayee

Chairman

Kanchan Chitale

Director

Arun Tiwari

Director

S. V. Zaregaonkar

Chief Financial Officer

Romesh Sobti

Managing Director

Shanker Annaswamy

Director

Siraj Chaudhry

Director

Haresh Gajwani

Company Secretary

Disclosures Under Basel III Capital Regulations – March 31, 2019

In line with the RBI Master Circulars: (a) DBR.No.BP.BC.1/21.06.201/2015-16 on "**Master Circular – Basel III Capital Regulations**" issued on July 1, 2015; and (b) DBOD.BP.BC.No.120/21.04.098/2013-14 dated June 9, 2014 on "**Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Monitoring Tools and LCR Disclosure Standards**", the Bank has made comprehensive Disclosures under: (i) **Pillar III including Leverage Ratio**; and (ii) **Liquidity Coverage Ratio (LCR)** as per Basel III Standards. These Disclosures can be accessed on the homepage of the Bank's website under "**Regulatory Disclosures Section**" by clicking the link: <https://www.indusind.com/content/home/important-links/regulatory-disclosures-section.html>

Statement pursuant to Section 129 of the Companies Act, 2013

Form AOC-1: Pursuant to first proviso to sub-Section(3) of Section 129 read with Rule 5 of Companies (Accounts), Rules, 2014

Statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures

Part "A": Subsidiaries

Sr. No.	Name of the Subsidiary	IndusInd Financial Inclusion Ltd. (IFIL)
		(Amount in ₹)
1	Share Capital	70
2	Reserves & surplus	(61,39,886)
3	Total Assets	10,070
4	Total Liabilities	61,49,886
5	Investments	Nil
6	Turn Over	NA
7	Profit before taxation	(61,39,886)
8	Provision for taxation	Nil
9	Profit after taxation	(61,39,886)
10	Proposed Dividend	Nil
11	% of Shareholding	100%

Notes :

- Names of the Subsidiary which are yet to commence operation : IndusInd Financial Inclusion Limited (IFIL)
- Names of the Subsidiary which have been liquidated or sold during the year : Nil

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associate Companies / Joint Ventures	IndusInd Marketing and Financial Services Pvt Ltd (IMFS)
1	Latest Audited Balance Sheet	March 31, 2019
2	Date on which the Associate or Joint Venture was associated or acquired	June 11, 2004
3	Shares of Associate Company / Joint Venture held by the company on the year end:	
	No. of Shares	3,000
	Amount of Investment in associate / joint venture	₹ 30,000
	Extend of Holding %	30%
4	Description of how there is significant influence	Extent of Equity holding in the Associate company exceeds 20%
5	Reason why the Associate / Joint Venture is not consolidated	Not applicable
6	Net worth attributable to the Banks's share holding (₹ in crores)	1.89 crores
7	Profit / Loss for the year:	
	i. Considered in Consolidated Financial Statement (₹ in crores)	0.27 crores
	ii. Not Considered in Consolidated Financial Statement	Nil

Notes

- 1 Names of Associates or Joint Ventures which are yet to commence operations. : Nil
- 2 Names of the Associates which have been liquidated or sold during the year. : Nil

For INDUSIND BANK LIMITED

R. Seshasayee
Chairman

Romesh Sobti
Managing Director

Kanchan Chitale
Director

Shanker Annaswamy
Director

Arun Tiwari
Director

Siraj Chaudhry
Director

Place : Mumbai
Date : May 22, 2019

S. V. Zaregaonkar
Chief Financial Officer

Haresh Gajwani
Company Secretary

US DOLLAR DENOMINATED
Standalone Balance Sheet as at March 31, 2019

		(Millions of US\$)	
1 USD = ₹ 69.155		As at 31.03.2019	As at 31.03.2018
CAPITAL AND LIABILITIES			
Capital		87.15	86.79
Employee Stock Option Outstanding		1.62	2.11
Reserves and Surplus		3,770.10	3,358.67
Deposits		28,178.43	21,927.43
Borrowings		6,842.76	5,536.70
Other Liabilities & Provisions		1,293.39	1,136.04
TOTAL		40,173.45	32,047.74
ASSETS			
Cash and Balances with Reserve Bank of India		1,440.42	1,585.19
Balances with Banks & Money at Call and Short Notice		697.31	325.86
Investments		8,570.05	7,241.23
Advances		26,953.00	20,960.69
Fixed Assets		247.27	193.59
Other Assets		2,265.40	1,741.18
TOTAL		40,173.45	32,047.74
Contingent Liabilities		1,37,758.43	95,741.33
Bills for Collection		4,767.77	5,410.38

Standalone Profit and Loss Account for the year ended March 31, 2019

		(Millions of US\$)	
1 USD = ₹ 69.155		Year ended 31.03.2019	Year ended 31.03.2018
I	INCOME		
	Interest Earned	3,219.02	2,498.84
	Other Income	816.53	686.88
	TOTAL	4,035.55	3,185.72
II	EXPENDITURE		
	Interest Expended	1,939.84	1,414.69
	Operating Expenses	926.13	808.54
	Provisions and Contingencies	692.23	441.06
	TOTAL	3,558.20	2,664.29
III	PROFIT		
	Profit brought forward	477.35	521.43
	Profit brought forward	1,346.47	1,029.34
	AMOUNT AVAILABLE FOR APPROPRIATION	1,823.82	1,550.77
IV.	APPROPRIATIONS		
a)	Transfer to Statutory Reserves	119.34	130.36
b)	Transfer to Capital Reserves	5.72	1.10
c)	Transfer to Investment Fluctuation Reserve	16.65	-
d)	Dividend paid including tax on dividend	78.51	62.50
e)	Deductions during the year	(2.49)	10.34
		217.73	204.30
	Balance carried over to the Balance Sheet	1,606.09	1,346.47
	TOTAL	1,823.82	1,550.77

NOTICE

INDUSIND BANK LIMITED

CIN: L65191PN1994PLC076333

Registered Office: 2401, Gen. Thimmayya Road (Cantonment), Pune - 411 001

Tel: (020) 2623 4000-10

Secretarial & Investor Services Cell: 731, Solitaire Corporate Park, 167, Guru Hargovindji Marg, Andheri (East), Mumbai - 400 093

Tel: (022) 6641 2487 / 2359

E-mail: investor@indusind.com, Website: www.indusind.com

NOTICE is hereby given that the Twenty-fifth Annual General Meeting (AGM) of the Members of IndusInd Bank Limited (the 'Bank') will be held at 2.00 p.m. on Friday, August 16, 2019, at Hotel Sheraton Grand, Raja Bahadur Mill Road, Pune - 411 001, Maharashtra, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended March 31, 2019, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares of the Bank for the Financial Year ended March 31, 2019.
3. To appoint a Director in place of Mr. Romesh Sobti (DIN: 00031034), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint the Statutory Auditors of the Bank and authorise the Board of Directors to fix their remuneration, and in that connection to consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 and other applicable provisions of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, and applicable provisions of the Banking Regulation Act, 1949, and the approval of the Reserve Bank of India, M/s Haribhakti & Co. LLP (Firm Regn. Number 103523W / W100048), be and are hereby appointed as Statutory Auditors for FY 2019-20, for a period commencing from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Bank on remuneration (including terms of payment) to be fixed by the Board of Directors, based on the recommendations of the Audit Committee."

SPECIAL BUSINESS:

5. **Appointment of Mrs. Akila Krishnakumar (DIN: 06629992) as Non-Executive Independent Director**

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160, Schedule IV and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, and Sections 10A, 16, 20 and other applicable provisions of the Banking Regulation Act, 1949 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, and based on the recommendation of the Nomination & Remuneration Committee, Mrs. Akila Krishnakumar, who was appointed as 'Additional Director' of the Bank with effect from August 10, 2018, and who holds office up to the date of this Annual General Meeting, and in respect of whom the Bank has received a Notice in writing, be and is hereby appointed as 'Non-Executive Independent Director' of the Bank, for a period of four consecutive years from the date of her appointment by the Board, and shall not be liable to retire by rotation, and shall be eligible for Sitting Fees, reimbursement of expenses, and Profit-related Commission as may be permissible under law from time to time."

6. **Appointment of Mr. Arun Tiwari (DIN: 05345547) as Non-Executive Independent Director**

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160, Schedule IV and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, and Sections 10A, 16, 20 and other applicable provisions of the Banking Regulation Act, 1949 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as

amended from time to time, and based on the recommendation of the Nomination & Remuneration Committee, Mr. Arun Tiwari, who was appointed as 'Additional Director' of the Bank with effect from August 10, 2018, and who holds office up to the date of this Annual General Meeting, and in respect of whom the Bank has received a Notice in writing be and is hereby appointed as 'Non-Executive Independent Director' of the Bank, for a period of four consecutive years from the date of his appointment by the Board, and shall not be liable to retire by rotation, but shall be eligible for Sitting Fees, reimbursement of expenses, and Profit-related Commission as may be permissible under law from time to time."

7. Appointment of Mr. Siraj Chaudhry (DIN: 00161853) as Non-Executive Independent Director

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160, Schedule IV and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, and Sections 10A, 16, 20 and other applicable provisions of the Banking Regulation Act, 1949 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, and based on the recommendation of the Nomination & Remuneration Committee, Mr. Siraj Chaudhry, who was appointed as 'Additional Director' of the Bank with effect from January 3, 2019 and who holds office up to the date of this Annual General Meeting, and in respect of whom the Bank has received a Notice in writing be and is hereby appointed as 'Non-Executive Independent Director' of the Bank, for a period of four consecutive years from the date of his appointment by the Board and shall not be liable to retire by rotation, but shall be eligible for Sitting Fees, reimbursement of expenses, and Profit-related Commission as may be permissible under law from time to time."

8. Appointment of Mr. Rajiv Agarwal (DIN: 00336487) as Non-Executive Independent Director

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160, Schedule IV and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, and Sections 10A, 16, 20 and other applicable provisions of the Banking Regulation Act, 1949 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, and based on the recommendation of the Nomination & Remuneration Committee, Mr. Rajiv Agarwal, who was appointed as 'Additional Director' of the Bank with effect from March 15, 2019, and who holds office up to the date of this Annual General Meeting, and in respect of whom the Bank has received a Notice in writing be and is hereby appointed as 'Non-Executive Independent Director' of the Bank, for a period of four consecutive years from the date of his appointment by the Board, and shall not be liable to retire by rotation, but shall be eligible for Sitting Fees, reimbursement of expenses, and Profit-related Commission as may be permissible under law from time to time."

9. Issue of Long-Term Bonds / Non-Convertible Debentures on Private Placement Basis

To consider, and if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, including SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, any amendment, modification, variation, or re-enactment thereto from time to time and the relevant references given under the Articles of Association of the Bank and subject to receipt of such other approvals, consents, permissions and sanctions required to be obtained from the Statutory Authorities, including but not limited to Reserve Bank of India, consent of the Members be and is hereby accorded to the Board (hereinafter referred to as "Board" and which term shall be deemed to include any Committee of the Board or any other persons to whom powers may be delegated by the Board) for borrowings / raising of funds in Indian / Foreign currency by way of issue of securities, in the nature of Bonds / Non-Convertible Debentures (NCDs), i.e., Long-Term Infrastructure Bonds, Non-Convertible Debentures (NCDs) / Bonds / Medium Term Notes or any other listed debt security eligible to be included as Additional Tier I (AT1) and Tier II (T2) Capital of the Bank or otherwise or any other instrument of a similar nature, aggregating up to an amount not exceeding ₹ 20,000 crores (Rupees Twenty thousand crores only), whether Secured / Unsecured, on Private Placement basis, in domestic and / or overseas market, under one or more Shelf Disclosure Documents and / or under one or more Letters of Offer as may be issued by the

Bank and in one or more tranches and on such terms and conditions for each series / tranches including the price, coupon, premium, discount, tenor, interest, etc. as deemed fit by the Board, in its absolute discretion within the limits in aggregate not exceeding ₹ 20,000 crores, without being required to seek any further consent or approval from Members which be and hereby shall be deemed to have given their approval thereto expressly by the authority of the resolution, during a period of one year from the date of passing of this Resolution, and the said borrowing shall be within the overall borrowing limits of the Bank, as approved by the members from time to time;

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to execute all such agreements, documents, instruments and writings and to do all such acts and deeds, matters and things as may be required, and to delegate all or any of its powers herein conferred to any of the Committee of the Board (including the Finance Committee) or any personnel of the Bank, to act on their behalf as they may deem fit to give effect to this Resolution."

**By Order of the Board
For IndusInd Bank Limited**

Sd/-

**Haresh K. Gajwani
Company Secretary
(Membership No. A 18225)**

**Place: Mumbai
Date: July 12, 2019**

Corporate Office:

8th Floor, Tower No.1, One Indiabulls Centre,
841, Senapati Bapat Marg, Elphinstone Road (W),
Mumbai – 400 013, Maharashtra
E-mail: investor@indusind.com, Website: www.indusind.com
Secretarial & Investor Services – Phone +91 (022) 6641 2487 / 2359

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF, AND SUCH A PROXY NEED NOT BE A MEMBER OF THE BANK.**

A person can act as Proxy on behalf of Members not exceeding Fifty and holding in the aggregate not more than ten per cent (10%) of the total Share Capital of the Bank.

In case a Proxy is proposed to be appointed by a Member holding more than 10 % of the total Share Capital of the Bank carrying voting rights, then such Proxy shall not act as a Proxy for any other person or Shareholder.

The Proxy Form, in order to be valid and effective, should be lodged with the Bank at its Registered Office not later than 48 hours before the commencement of the meeting (i.e. on or before Wednesday, August 14, 2019 at 2.00 p.m.).

Corporate Members intending to send their Authorised Representatives to attend the meeting are requested to send a *Certified True Copy of the Board Resolution / Authority, authorising the Representative to attend the meeting.*

2. Members / Proxies / Authorised Representatives should bring the Attendance Slip duly filled in for attending the AGM and hand it over at the Registration Counter at the venue. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio number in the Attendance Slip for attending the meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts in respect of the Resolutions stated at Item Numbers 3 to 9 is annexed hereto.
4. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Bank provided that not less than 3 days' notice in writing of the intention so to inspect is given to the Bank.

All documents referred to in the accompanying Notice, Explanatory Statement, and terms and conditions of appointment of Directors / Chairman are available in physical or electronic form and are open for inspection at the Registered Office / Corporate Office and Secretarial & Investor Services Office of the Bank on all working days except Saturdays, Sundays and Bank holidays between 11.00 a.m. and 1.00 p.m. upto the date of the AGM.

5. The Register of Directors and Key Managerial Personnel and their Shareholdings, other Statutory Registers prescribed under the Companies Act, 2013 and the Certificate from Auditors of the Bank certifying that the ESOP Scheme of the Bank is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 will be available for inspection at the AGM.
6. The Register of Members and Share Transfer Books of the Bank will remain closed from Saturday, August 10, 2019 up to Friday, August 16, 2019 (both days inclusive) for determining the entitlement of the Shareholders for Dividend on Equity Shares for FY 2018-19:
 - i) in case of Members holding shares in physical form, whose names appear in the Register of Members of the Bank, on or before the cut-off date, i.e., Friday, August 9, 2019;
 - ii) In case of Members holding shares in electronic form, to all Beneficial Owners as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on Friday, August 9, 2019.
7. Dividend would be made payable on or after Wednesday, August 21, 2019 to the Shareholders whose names appear in the Register of Members on Friday, August 9, 2019.
8. Soft copy of the Notice of AGM along with the copy of Annual Report has been sent to those Shareholders who have registered their e-mail IDs with the Bank, or whose e-mail IDs have been made available by the Depositories. The aforesaid documents can also be accessed on the Bank's website: www.indusind.com under – Home / Investors / Annual Reports.

To support the Bank's 'Green Initiative', Shareholders who have not registered their e-mail addresses may please register the same, along with their contact numbers, with the Bank by sending details to investor@indusind.com or with Link Intime India Pvt. Ltd. at rnt.helpdesk@linkintime.co.in to enable the Bank to communicate to them the information about various developments in the Bank.

For Members who have not registered their e-mail addresses, physical copies of the Annual Report and the AGM Notice indicating, inter alia, the process and manner of Remote e-voting along with Attendance Slip and Proxy Form shall be sent in the permitted mode.

Further, Shareholders who have registered their e-mail addresses and wish to avail physical copies of the Notice / Annual Report will be provided the same upon request.

9. Brief profile and other relevant information about Directors seeking appointment / re-appointment, in accordance with Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Notice.
10. The Board of Directors of the Bank appointed M/s Haribhakti & Co. LLP as the Statutory Auditors of the Bank for FY 2019-20, due to RBI's direction under their Enforcement Action Framework and the consequent resignation of M/s S.R. Batliboi & Co. LLP, Chartered Accountants, Mumbai. The details are given in the Explanatory Statement to the Notice.
11. Pursuant to Section 124 of the Companies Act, 2013, dividend for the financial year ended March 31, 2012 which remains unpaid or unclaimed for period of seven years, shall become due for transfer on **August 21, 2019** to the Investor Education and Protection Fund of the Central Government. Members who have not claimed their dividend for the above mentioned year are requested to make their claim to the Secretarial and Investor Services of the Bank at 731, Solitaire Corporate Park, 167, Guru Hargovindji Marg, Andheri (East), Mumbai – 400 093 or to Link Intime India Pvt. Ltd., Registrars & Share Transfer Agents of the Bank at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083 **as early as possible but not later than Saturday, August 10, 2019.**

Intimation Letters were sent on May 13, 2019 to Shareholders who have not claimed their dividends for 2011-12 for seven consecutive years. An Advertisement was also published in Financial Express (all editions) and Loksatta (Pune region) on May 14, 2019 requesting the shareholders to claim the dividends from the Bank by Saturday, August 10, 2019, failing which their shares would be transferred to the IEPF Authority within 30 days from the due date, i.e., August 21, 2019.

12. The Bank has already transferred all shares in respect of which dividend had not been paid or claimed for seven consecutive years or more along with unpaid or unclaimed dividend declared for the financial year ended March 31, 2011 and earlier periods to the Investor Education and Protection Fund. Members who have so far not claimed their

dividends for the year 2010-11 may claim their Dividend / Shares from the IEPF Authority, by submitting an application in e-form IEPF 5. The detailed procedure for claiming the Shares / Dividend amount which have been transferred to IEPF is available at: <http://www.iepf.gov.in/IEPFA/refund.html>

13. The information pertaining to Unpaid or Unclaimed Dividends and the details of such Members and the Shares due for transfer to the IEPF Authority are also available on the Bank's website at www.indusind.com.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to the Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to Link Intime India Private Limited, Registrar & Share Transfer Agent, or to the Secretarial and Investor Services Cell of the Bank.
15. Members holding shares in physical mode are requested to register their email IDs with the Registrar & Share Transfer Agents of the Bank, and Members holding shares in Demat mode are requested to register their e-mail IDs with their respective DP in case the same is still not registered. Members are also requested to notify any change in their e-mail ID or bank mandates or address to the Bank and always quote their Folio Number or DP ID and Client ID Numbers in all correspondence with the Bank. In respect of holdings in electronic form, Members are requested to notify any change of e-mail ID or bank mandates or address to their Depository Participants.
16. Members holding shares in electronic form may please note that their bank details as furnished to the respective Depositories will be printed on their Dividend Warrants as per the applicable regulations. The Bank will not entertain any direct request from such Members for deletion or change of such bank details.

Instructions, if any, already given by Members in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares in electronic form.

In order to avoid fraudulent encashment of Dividend Warrants, Members holding shares in physical form are requested to send to the Registrar & Share Transfer Agent of the Bank at the address mentioned in Note No. 11 above, on or before **Monday, August 5, 2019** their Bank Mandate (providing details of name and address of the Bank's branch, PIN Code and particulars of the Bank Account) or changes therein, if not provided earlier, under the signature of the Sole / First holder quoting their Folio Number. This information shall be printed on the Dividend Warrants. Members may also avail of the Electronic Clearing Service ('ECS') mandate facility provided by the Bank.

17. With a view to serving the Members better and for administrative convenience, an attempt would be made to consolidate multiple folios. Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Bank to consolidate their holdings in one folio.
18. Members holding shares in physical form are advised to dematerialize their shareholding to avail benefits of dematerialization which include easy liquidity, since trading is permitted only in Demat form.
19. Members can avail of the Nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the Bank. Blank forms will be supplied on request.
20. Members desirous of getting information related to the Accounts and / or operations of the Bank are requested to write to the Bank at investor@indusind.com at least seven days before the date of the Annual General Meeting.
21. In compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Bank is providing the facility for voting by electronic means, i.e., 'Remote e-voting' to all Members.

In addition to this, the facility for voting through Electronic Voting System shall also be made available at the AGM, to enable the Members to cast their votes electronically on the Resolutions mentioned in the accompanying Notice. In case of any unforeseen technical failure or eventuality resulting into non-functionality of the electronic voting system at the meeting, Members would be provided Ballot Papers for casting their votes at the meeting.

The Bank has engaged the services of "National Securities Depository Limited" ('NSDL') for providing e-voting facility and to enable the Members to cast their vote in a secure manner.

The e-voting facility will be available at the link <https://www.evoting.nsdl.com> during the voting period mentioned hereunder:

Commencement of remote e-voting: At 9.00 a.m. on Tuesday, August 13, 2019

End of remote e-voting: At 5.00 p.m. on Thursday, August 15, 2019

Remote e-Voting shall not be allowed beyond 5.00 p.m. on Thursday, August 15, 2019. During the e-Voting period, Shareholders of the Bank holding shares either in physical form or in dematerialized form as on the cut-off date may cast their votes electronically. The cut-off date for the purpose of e-voting is Friday, August 9, 2019.

22. Voting Rights of the Members shall be in proportion to their shares in the Paid-up Equity Share Capital of the Bank as on the cut-off date, and they may cast their votes electronically.
23. Login ID and Password for remote e-Voting along with the physical copy of the Notice of the AGM (explaining the process, manner and instructions for Remote e-Voting) are being sent to the Members who have not registered their e-mail IDs with the Bank or with their respective Depository Participants on or before the cut-off date for e-Voting.
24. Members who have registered their e-mail IDs with the Bank / their respective Depository Participants are being forwarded Login ID and Password for Remote e-Voting via e-mail.
25. Any person, who acquires shares of the Bank and becomes a Member of the Bank after dispatch of this Notice and holds shares as of the cut-off date, i.e., Friday, August 9, 2019 may obtain Login ID and Password by sending a request to evoting@nsdl.co.in by mentioning his / her Folio No. / DP ID and Client ID. However, Members already registered with NSDL for e-Voting can use their existing User ID and Password for casting their votes.
26. The Bank has appointed Mr. S. N. Bhandari (C.P. 366), or failing him Ms Manisha Maheshwari (C.P. 11031), Practising Company Secretaries, from M/s Bhandari & Associates, Company Secretaries as 'Scrutinizer', for conducting the Remote e-Voting process, including Electronic Voting at the AGM, in a fair and transparent manner.
27. The person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date, i.e., Friday, August 9, 2019, shall be entitled to avail of the facility of Remote e-Voting as well as electronic voting at the AGM.
28. A person who is not a Member as on the cut-off date should treat this Notice as for information purpose only.
29. In addition to Remote e-Voting, the facility for voting through the Electronic Voting System shall also be made available at the AGM. Members attending the AGM and who have not cast their vote through Remote e-Voting may cast their votes at the AGM.
30. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow conducting of voting using electronic system with the assistance of Scrutinizer for all those members who are present at the AGM and who have not cast their votes by availing the remote e-Voting facility.
31. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-Voting, in the presence of at least two witnesses not in the employment of the Bank, and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any other Director or any other person authorised in writing, who shall countersign the same.
32. Members who have cast their votes by Remote e-Voting prior to the meeting may attend the meeting but shall not be entitled to cast their votes again.
33. The results shall be declared on the above resolutions after the Annual General Meeting of the Bank and shall be deemed to be passed on the date of Annual General Meeting. The results along with the Scrutinizer's Report shall be placed on the website of the Bank at www.indusind.com within 48 hours of passing of the resolutions at the Annual General Meeting of the Bank and shall be communicated to National Stock Exchange of India Limited and BSE Limited.
34. The Route Map of the Venue of the Meeting is provided at the end of the Notice. **The prominent landmark for the Venue is 'Opposite Pune Railway Station'.**
35. Webcast facility: The Bank is pleased to provide the facility of live webcast of proceedings of Annual General Meeting. Members who are entitled to participate in the Annual General Meeting can view the proceeding of the Meeting by

logging on the e-voting website of NSDL at <https://www.evoting.nsdl.com> using their secure login credentials. Members are encouraged to use the webcast facility.

36. Instructions for Electronic Voting at the AGM / remote e-Voting are as under:

The way to cast votes electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your votes electronically on NSDL e-Voting system.

Details for Step 1 are given below:

How to Log-in to NSDL e-Voting website:

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services, i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2, i.e., cast your votes electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8-Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16-Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****101456001***
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if Folio Number is 001*** and EVEN is 101456 then User ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your votes.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your e-mail ID is registered in your Demat account or with the Bank, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment, i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your e-mail ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "**Forgot User Details / Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your Demat Account number / Folio number, your PAN, your Name and your Registered Address.
 - Members can also use the OTP (One-Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your Password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, the Home page of e-Voting will open.

Details for Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system:

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of Bank to cast your votes.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your votes by selecting appropriate options, i.e., assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders:

- Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority Letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to indusindscrutinizer@gmail.com or iblevoting@indusind.com with a copy marked to evoting@nsdl.co.in.
- It is strongly recommended that you do not share your password with any other person, and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) for Shareholders and the e-voting User Manual for Shareholders available at the download section of www.evoting.nsdl.com / call on Toll-free Number 1800-222-990 / send a request at evoting@nsdl.co.in. Alternatively, you may contact Mrs. Pallavi Mhatre, Assistant Manager on 91 22 2499 4600 or may write to her at TradeWorld, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400 013.

EXPLANATORY STATEMENT IN RESPECT OF ORDINARY / SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

Appointing of a Director in place of Mr. Romesh Sobti (DIN: 00031034), who retires by rotation and, being eligible, offers himself for re-appointment

Section 152 (6) of the Companies Act, 2013 provides that not less than two-thirds of the total number of Directors of a public company shall be liable to retire by rotation, and that one-third of such Directors as are liable to retire by rotation shall retire from office at every Annual General Meeting (AGM) of the company.

Section 149 (13) of the Act provides that provisions pertaining to retirement of Directors by rotation shall not be applicable to Independent Directors.

As on March 31, 2019, the Bank's Board comprised ten Directors of which, three Independent Directors, viz., Mrs. Kanchan Chitale, Mr. Shanker Annaswamy and Dr. T.T. Ram Mohan continue to satisfy the criteria prescribed under Section 149(6) of the Act and are not liable to retire by rotation.

Mr. Yashodhan Kale, Non-Executive Director completed his tenure, and has ceased to be Director w.e.f April 16, 2019.

Mr. R. Seshasayee, Non-Executive Part-time Chairman of the Bank is scheduled to retire on July 24, 2019, on completion of his tenure.

Mrs. Akila Krishnakumar, Mr. Arun Tiwari, Mr. Siraj Chaudhry and Mr. Rajiv Agarwal being 'Additional Directors' shall retire at this AGM, and therefore cannot be subject to Retirement by Rotation.

In terms of Section 152 of the Act, Directors liable to retire by rotation at every AGM shall be those who have been longest in office.

Reserve Bank of India had, vide their letter dated January 16, 2018, conveyed their approval for the re-appointment of Mr. Romesh Sobti as 'Managing Director & CEO' from February 1, 2018 until March 23, 2020.

In view of the above, out of the Directors liable to retire by rotation, Mr. Romesh Sobti, Managing Director & CEO, being longest in Office, retires by rotation and being eligible offers himself for re-appointment.

Brief profile of Mr. Romesh Sobti is included separately in the Notice, in compliance with Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors recommend the re-appointment of Mr. Romesh Sobti, set out at Item No. 3 of the Notice for approval by the Members.

Mr. Romesh Sobti is not related to any other Director of the Bank.

None of the Directors other than Mr. Romesh Sobti or the Key Managerial Personnel of the Bank or their relatives are deemed to be interested, financially or otherwise, in the said Resolution.

ITEM NO. 4

Appointment of Statutory Auditors

M/s S.R. Batliboi & Co. LLP, Chartered Accountants, Mumbai were appointed as Statutory Auditors of the Bank by the Members at the Twenty-fourth Annual General Meeting (AGM) of the Bank held on July 26, 2018, until the conclusion of this AGM.

Reserve Bank of India had, vide Press Release dated June 3, 2019, in terms of their Enforcement Action Framework decided not to approve M/s S.R. Batliboi & Co. LLP for carrying out Statutory Audit assignments in commercial banks, starting April 1, 2019.

The Board of Directors had accordingly decided not to continue with M/s S.R. Batliboi & Co. LLP for the audit assignment of the Bank for FY 2019-20. M/s S.R. Batliboi & Co. LLP have tendered their resignation as Statutory Auditors of the Bank.

The Board of Directors of the Bank had approved the recommendation of the Audit Committee of the Board for appointment of M/s Haribhakti & Co. LLP as the Statutory Auditors of the Bank for FY 2019-20, subject to approval of Reserve Bank of India and the shareholders, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Bank.

RBI have vide their letter dated July 8, 2019 approved the appointment of M/s Haribhakti & Co. LLP, Chartered Accountants (Firm Registration No. 103523W / W100048) as Statutory Auditors of the Bank for FY 2019-20.

M/s Haribhakti & Co. LLP, Chartered Accountants, have confirmed that their appointment, if made, would be within the limits specified under Section 141 of the Companies Act, 2013 and that they are not disqualified from being appointed as Statutory Auditors of the Bank in terms of the applicable provisions of the Act and the Companies (Audit and Auditors) Rules, 2014.

There will be no material change in the proposed fees payable to M/s Haribhakti & Co. LLP, Chartered Accountants, the new Statutory Auditors, from the fees paid to the outgoing Auditor. The Board of Directors of the Bank shall determine the same based on recommendations of Audit Committee of the Board of Directors.

Brief Profile of Statutory Auditors

M/s Haribhakti & Co. LLP, Chartered Accountants

- Founded in 1954 by Mr. V B Haribhakti, a visionary leader; firm in operation for 65 years now.
- Large domestic firm with 450+ members including Partners, Directors, Associate Directors, Managers, Associates, Article Trainees, etc.
- Provides a whole range of assurance, accounting, advisory and consulting services, nationally and internationally, through separate service divisions viz., Audit & Assurance, Risk & Advisory, Corporate Finance Advisory, Tax & Regulatory and Global Knowledge Services.
- Nationally integrated firm having own branch network in major cities like Mumbai, Delhi, Bengaluru, Kolkata, Pune, Hyderabad, Chennai and Ahmedabad
- An independent member of Baker Tilly International Network
- Audit experience in various forms of banking companies – Private banks, Public sector banks, Foreign banks and Co-operative banks. Unique experience as statutory auditor of the RBI as well as NABARD, SIDBI and EXIM Bank.
- Amongst peer banks, have audited HDFC Bank earlier and currently are the Statutory Auditors of Axis Bank
- Wide audit experience amongst NBFCs, life and general insurance companies, Mutual Funds and AMCs

The Board of Directors recommends the passing of the Ordinary Resolution for appointment of M/s Haribhakti & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Bank for FY 2019-20.

None of the Directors and Key Managerial Personnel of the Bank or their relatives is in any way concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 4 of the Ordinary Business of this Notice

ITEM NO. 5

Appointment of Mrs. Akila Krishnakumar (DIN: 06629992) as 'Non-Executive Independent Director'

Mrs. Akila Krishnakumar was inducted in the Board of the Bank on August 10, 2018 as 'Additional Director', pursuant to Section 161 of the Companies Act, 2013, and holds office up to this AGM.

The Nomination & Remuneration Committee of the Board had recommended to the Board of Directors the appointment of Mrs. Akila Krishnakumar as 'Non-Executive Independent Director' for a period of four consecutive years from the date of her appointment in the Bank's Board.

Mrs. Akila Krishnakumar meets the criteria under Section 149(6) of the Companies Act, 2013, read with Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 10A of Banking Regulation Act, 1949 and all other applicable laws, as amended from time to time, and is independent of the Bank's Management.

The Board of Directors had accordingly, by Circular Resolution, approved Mrs. Akila Krishnakumar's appointment as 'Additional Director' in the category of 'Non-Executive Independent Director' in the Bank.

The Bank has received Notice in writing from a Member under Section 160 of the Act, proposing her candidature for the Office of Director.

Members are requested to consider Mrs. Akila Krishnakumar's appointment as Director of the Bank in the category of 'Non-Executive Independent' up to August 9, 2022.

Brief profile of Mrs. Akila Krishnakumar and her remuneration details are included separately in the Notice, as required pursuant

to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings.

The Board recommends the Resolution set out at Item No. 5 of the Notice to be passed by the Members as Ordinary Resolution.

Mrs. Akila Krishnakumar is not related to any other Director of the Bank.

None of the Directors other than Mrs. Akila Krishnakumar or the Key Managerial Personnel of the Bank or their relatives are deemed to be interested, financially or otherwise, in the said Resolution.

ITEM NO. 6

Appointment of Mr. Arun Tiwari (DIN: 05345547) as 'Non-Executive Independent Director'

Mr. Arun Tiwari was inducted in the Board of the Bank on August 10, 2018, as 'Additional Director', pursuant to Section 161 of the Companies Act, 2013, and holds office up to this AGM.

The Nomination & Remuneration Committee of the Board had recommended to the Board of Directors the appointment of Mr. Arun Tiwari as 'Non-Executive Independent Director' for a period of four consecutive years from the date of his appointment in the Bank's Board.

Mr. Arun Tiwari meets the criteria under Section 149(6) of the Companies Act, 2013, read with Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 10A of Banking Regulation Act, 1949 and all other applicable laws, as amended from time to time, and is independent of the Bank's Management.

The Board of Directors had accordingly by Circular Resolution, approved Mr. Arun Tiwari's appointment as 'Additional Director' in the category of 'Non-Executive Independent Director' in the Bank.

The Bank has received Notice in writing from a Member under Section 160 of the Act, proposing his candidature for the Office of Director.

Members are requested to consider Mr. Arun Tiwari's appointment as Director of the Bank in the category of 'Non-Executive Independent' up to August 9, 2022.

Brief profile of Mr. Arun Tiwari and his remuneration details are included separately in the Notice, as required pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings.

The Board recommends the Resolution set out at Item No. 6 of the Notice to be passed by the Members as Ordinary Resolution.

Mr. Arun Tiwari is not related to any other Director of the Bank.

None of the Directors other than Mr. Arun Tiwari or the Key Managerial Personnel of the Bank or their relatives are deemed to be interested, financially or otherwise, in the said Resolution.

ITEM NO. 7

Appointment of Mr. Siraj Chaudhry (DIN: 00161853) as 'Non-Executive Independent Director'

Mr. Siraj Chaudhry was inducted in the Board of the Bank on January 3, 2019, as 'Additional Director', pursuant to Section 161 of the Companies Act, 2013, and holds office up to this AGM.

The Nomination & Remuneration Committee of the Board had recommended to the Board of Directors the appointment of Mr. Siraj Chaudhry as 'Non-Executive Independent Director' for a period of four consecutive years from the date of his appointment in the Bank's Board.

Mr. Siraj Chaudhry meets the criteria under Section 149(6) of the Companies Act, 2013, read with Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 10A of Banking Regulation Act, 1949 and all other applicable laws, as amended from time to time, and is independent of the Bank's Management.

The Board of Directors had accordingly, by Circular Resolution, approved Mr. Siraj Chaudhry's appointment as 'Additional Director' in the category of 'Non-Executive Independent Director' in the Bank.

The Bank has received Notice in writing from a Member under Section 160 of the Act, proposing his candidature for the Office of Director.

Members are requested to consider Mr. Siraj Chaudhry's appointment as Director of the Bank in the category of 'Non-Executive Independent' up to January 2, 2023 .

Brief profile of Mr. Siraj Chaudhry and his remuneration details are included separately in the Notice, as required pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings.

The Board recommends the Resolution set out at Item No. 7 of the Notice to be passed by the Members as Ordinary Resolution.

Mr. Siraj Chaudhry is not related to any other Director of the Bank.

None of the Directors other than Mr. Siraj Chaudhry or the Key Managerial Personnel of the Bank or their relatives are deemed to be interested, financially or otherwise, in the said Resolution.

ITEM NO. 8

Appointment of Mr. Rajiv Agarwal (DIN: 00336487) as 'Non-Executive Independent Director'

Mr. Rajiv Agarwal was inducted in the Board of the Bank on March 15, 2019, as 'Additional Director', pursuant to Section 161 of the Companies Act, 2013, and holds office up to this AGM.

The Nomination & Remuneration Committee of the Board had recommended to the Board of Directors the appointment of Mr. Rajiv Agarwal as 'Non-Executive Independent Director' for a period of four consecutive years from the date of his appointment in the Bank's Board.

Mr. Rajiv Agarwal meets the criteria under Section 149(6) of the Companies Act, 2013, read with Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 10A of Banking Regulation Act, 1949 and all other applicable laws, as amended from time to time, and is independent of the Bank's Management.

The Board of Directors had accordingly, by Circular Resolution, approved Mr. Rajiv Agarwal's appointment as 'Additional Director' in the category of 'Non-Executive Independent Director' in the Bank.

The Bank has received Notice in writing from a Member under Section 160 of the Act, proposing his candidature for the Office of Director .

Members are requested to consider Mr. Rajiv Agarwal's appointment as Director of the Bank in the category of 'Non-Executive Independent' up to March 14, 2023 .

Brief profile of Mr. Rajiv Agarwal and his remuneration details are included separately in the Notice, as required pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings.

The Board recommends the Resolution set out in Item No. 8 of the Notice to be passed by the Members as Ordinary Resolution.

Mr. Rajiv Agarwal is not related to any other Director of the Bank.

None of the Directors other than Mr. Rajiv Agarwal or the Key Managerial Personnel of the Bank or their relatives are deemed to be interested, financially or otherwise, in the said Resolution.

ITEM NO. 9

Issue of Long-Term Bonds / Non-Convertible Debentures on Private Placement Basis

Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 mandates that a company can make Private Placement of securities subject to the condition that the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Shareholders, by means of a Special Resolution, for each of the offers or invitations. In case of Offers or Invitations for Non-Convertible Debentures, it is sufficient if the company passes Special Resolution only once in a year for all the Offers or Invitations for such debentures on a Private Placement basis during the year.

The Bank may need to raise additional funds to meet the needs of its growing business requirements, including long-term capital for pursuing its growth plans. The Bank may also wish to maintain the desired CRAR by issuing Basel III-compliant Additional Tier I / Tier II debt instruments or any other instruments of a similar nature. Resolution under Section 42 of the Act shall be valid for a period of one year from the date of passing. In the last AGM of the Bank held on July 26, 2018, approval

of the Shareholders had been obtained for issuance of Bonds / Non-Convertible Debentures (NCDs), i.e., Long-Term Bonds including Infrastructure Bonds and Subordinated Non-Convertible Debentures eligible to be included in the Additional Tier I and Tier II Capital of the Bank, upto ₹ 20,000 crores (Rupees Twenty thousand crores only) on Private Placement basis, which is valid for a period of one year from the date of receipt of Shareholders' approval.

Considering the revised guidelines issued by Reserve Bank of India on issue of Long-Term Bonds / Basel III compliant Additional Tier I and Tier II Bonds, and the fact that these Bonds will also assist the Bank in reducing Asset-Liability mismatches, the Board of Directors in their meeting held on July 12, 2019, approved obtaining the consent of the Members for borrowing of monies / raising of funds in Indian / Foreign Currency by way of issue of Securities including but not limited to Long-Term Bonds including Infrastructure Bonds / NCDs / Medium Term Notes (forming part of Tier I / Tier II Capital in accordance with Basel III Capital Regulations) or any other instrument of a similar nature upto ₹ 20,000 crores (Rupees Twenty thousand crores only) in one or more tranches in domestic and / or overseas market in Indian or Foreign Currency, whether Secured or Unsecured as permitted by the Reserve Bank of India, to the eligible investors on Private Placement basis, on such terms and conditions as may be decided by the Board of Directors or any Committee of the Board or such other person(s) as may be authorized by the Board, from time to time. This would form part of the overall borrowing limit as approved by the Members from time to time, pursuant to Section 180(1)(c) of the Companies Act, 2013.

The above-mentioned Bonds / NCDs would be issued by the Bank in accordance with the applicable statutory guidelines for cash, either at par or at premium or at a discount to the Face Value, depending upon the prevailing market conditions and on such terms and conditions including the Interest, Tenor, Coupon, Repayment, Security, etc. or otherwise, as it may deem expedient, and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board shall in its absolute discretion deem fit, without being required to seek any further consent or approval from Members and intent that they shall be deemed to have given their approval thereto expressly by the authority of the resolution.

Approval of the Members is requested by way of a Special Resolution for issuance of Long-Term Bonds, including Infrastructure Bonds / Subordinated Non-Convertible Debentures (NCDs) / Bonds eligible to be included in the Additional Tier I and Tier II Capital of the Bank in the Domestic / Overseas market, on Private Placement basis, in one or more tranches under one or more Shelf Disclosure Documents and one or more Letters of Offer, and on such terms and conditions for each series / tranches including the Price, Coupon, Premium, Discount, Tenor, Interest, Repayment, Security etc., as deemed fit by the Board for an amount not exceeding ₹ 20,000 crores (Rupees Twenty thousand crores only).

The Board of Directors therefore recommend the Special Resolution set out at Item No. 9 of the Notice for approval by the Members.

None of the Directors or the Key Managerial Personnel of the Bank or their relatives are interested, financially or otherwise, in the said Resolution.

**By Order of the Board
For IndusInd Bank Limited**

Sd/-

**Haresh K. Gajwani
Company Secretary
(Membership No. A 18225)**

**Place: Mumbai
Date: July 12, 2019**

Corporate Office:
8th Floor, Tower No.1, One Indiabulls Centre,
841, Senapati Bapat Marg, Elphinstone Road (W),
Mumbai – 400 013, Maharashtra
E-mail: investor@indusind.com, Website: www.indusind.com
Secretarial & Investor Services – Phone +91 (022) 6641 2487 / 2359

Annexure to the Items Numbers 3 and 5 to 9 of the Notice:

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE TWENTY-FIFTH ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard 2 issued by the Institute of Company Secretaries of India]

1. Mr. Romesh Sobti, Managing Director & CEO

DIN	00031034
Date of Birth	March 24, 1950
Age	69 years
Date of first Appointment on the Board of the Bank	February 1, 2008
Qualifications	B.E. (Hons.) in Electrical Engineering; and Diploma in Corporate Laws and Secretarial Practice.
Brief Resume including experience	<p>Mr. Romesh Sobti has been Managing Director & CEO of the Bank since February 1, 2008.</p> <p>Mr. Sobti is a career banker with 44 years of experience in all 3 sectors of banking - public, foreign and private.</p> <p>Mr. Sobti was the Executive Vice President – Country Executive, India and Head, UAE and Sub-Continent, at ABN AMRO Bank N.V. He joined ABN AMRO Bank N.V. in November 1990 and over a 17 year period, was CEO for 12 years.</p> <p>In his banking career, Mr. Sobti has also been associated with ANZ Grindlays Bank plc (now Standard Chartered Bank) and State Bank of India in the past.</p>
Nature of his Expertise in specific functional areas	Banking
List of Directorships / Memberships / Chairmanships of Committees of other Boards (Listed entities)	None
No. of Equity Shares held in the Bank as on March 31, 2019	7,30,000
No. of Board meetings attended during the year	11 / 12
Relationship between Directors inter-se, Managers and Other Key Managerial Personnel of the Bank	None
Terms and conditions of appointment / re-appointment	As may be decided by the Board of Directors, and approved by the Reserve Bank of India, from time to time.
Remuneration paid per annum	As approved by Reserve Bank of India.
Remuneration last drawn	Details of Remuneration paid to the Managing Director & CEO during FY 2018-19, is given in the 'Report on Corporate Governance' which forms an integral part of this Annual Report.

2. Mrs. Akila Krishnakumar, Additional Director

DIN	06629992
Date of Birth	March 31, 1962
Age	57 years
Date of first Appointment on the Board of the Bank	August 10, 2018
Qualifications	Masters in Management Studies
Brief Resume including experience	<p>Mrs. Akila Krishnakumar was 'President of Global Technology and Country Head' until February 2013 at SunGard – a Fortune 500 Company and a global leader in Financial Services Software.</p> <p>During her career of 30 years, she has led Technology-driven companies which were building enterprise-scale solutions across the world.</p> <p>Her focus has been on operational excellence, talent engagement and customer relevance, which has repeatedly delivered robust returns for many businesses that she has managed.</p> <p>She had been on the Board of State Bank of Mysore from June 1, 2016 to March 31, 2017.</p>
Nature of his Expertise in specific functional areas	Information Technology & Payments Systems
List of Directorships / Memberships / Chairmanships of Committees of other Boards (Listed entities)	
1. Directorships in other listed entities:	(i) Heidelberg Cement India Ltd. (ii) Matrimony.com Ltd.
2. Chairmanships of the Committees' of other Boards:	NIL
3. Membership of Committees of other Boards	(i) Risk Management Committee
No. of Equity Shares held in the Bank as on March 31, 2019	NIL
No. of Board meetings attended during the year	5/6 *
Relationship between Directors inter-se, Managers and Other Key Managerial Personnel of the Bank	None
Terms and conditions of appointment / re-appointment	As may be recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.
Remuneration sought to be paid	Sitting Fees and Commission on the profit within the limits stipulated by law.
Remuneration last drawn	Remuneration for the period from Date of Appointment until March 31, 2019. Sitting Fees: ₹ 7,20,000/- Commission: ₹ 6,41,304/-

*Note: The number of Board Meetings attended by Additional Directors is as per their individual dates of appointment.

3. Mr. Arun Tiwari, Additional Director

DIN	05345547
Date of Birth	July 1, 1957
Age	61 years
Date of first Appointment on the Board of the Bank	August 10, 2018
Qualifications	M. Sc. in Chemistry
Brief Resume including experience	<p>Mr. Arun Tiwari has over 38 years of experience in Banking and Financial Market Operations.</p> <p>Mr. Tiwari had been Chairman & Managing Director of Union Bank of India from December 2013 to June 2017.</p> <p>Prior to that, Mr. Tiwari was Executive Director of Allahabad Bank from June 2012 to December 2013.</p> <p>He has, in the past, also held the position of Deputy Chairman of Indian Bank's Association, and has been Member of Governing Council of Indian Institute of Banking & Finance.</p> <p>Mr. Tiwari is Member of the Governing Council, Bankers Institute of Rural Development.</p>
Nature of his Expertise in specific functional areas	Banking
List of Directorships / Memberships / Chairmanships of Committees of other Boards (Listed entities)	
1. Directorships in other listed entities:	(i) Setco Automotive Ltd.
2. Chairmanships of the Committees' of other Boards:	NIL
3. Membership of Committees of other Boards	(i) Audit Committee
No. of Equity Shares held in the Bank as on March 31, 2019	Nil
No. of Board meetings attended during the year	5/6*
Relationship between Directors inter-se, Managers and Other Key Managerial Personnel of the Bank	None
Terms and conditions of appointment / re-appointment	As may be recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.
Remuneration sought to be paid	Sitting Fees and Commission on the Profit within the limits stipulated by law.
Remuneration last drawn	<p>Remuneration for the period from Date of Appointment until March 31, 2019.</p> <p>Sitting Fees: ₹ 13,70,000/-</p> <p>Commission: ₹ 6,41,304/-</p>

*Note: The number of Board Meetings attended by Additional Directors is as per their individual dates of appointment.

4. Mr. Siraj Chaudhry, Additional Director

DIN	00161853
Date of Birth	January 8, 1967
Age	52 years
Date of first Appointment on the Board of the Bank	January 3, 2019
Qualifications	Masters in Business Administration
Brief Resume including experience	<p>Mr. Siraj Chaudhry was Chairman of Cargill India and is currently an advisor to the company. His tenure at Cargill spanned nearly 24 years, and included handling the leadership role in India, as well as a global commodity trading role in Geneva.</p> <p>Under his leadership since 2007, Cargill India successfully built both consumer FMCG businesses in India, and Institutional businesses, backed by world class manufacturing facilities, robust sales and distribution network, and a wide brand portfolio.</p> <p>Mr. Chaudhry is on the Board of Tata Global Beverages Ltd. and Tata Coffee Ltd. as an Independent Director.</p> <p>Mr. Chaudhry holds a MBA from the Indian Institute of Foreign Trade (IIFT) and is a graduate of SRCC, University of Delhi.</p> <p>Mr. Chaudhry has been the past Chair of the National Committee on Food Processing at FICCI and the National Alliance for Edible Oil Fortification, a joint initiative by CII and GAIN to address malnutrition through food fortification.</p> <p>Mr. Chaudhry is presently President of the Food Industry Skill Council under the NSDC. He chairs the Agriculture and Food Committee of USIBC in India and Co- Chairs the Agriculture and Food Committee at American Chambers of Commerce.</p> <p>Mr. Chaudhry has been actively engaged with World Economic Forum on their Agriculture agenda in India. He is a thought leader in the space of Agriculture and Food and is consulted by Central and State Governments for his views in these fields.</p> <p>Mr. Chaudhry is actively involved with several non-governmental organizations, and provides leadership to a few, including India Food Banking Network, United Way of Delhi and Enactus India.</p>
Nature of his Expertise in specific functional areas	Agriculture & Rural Economy
List of Directorships / Memberships / Chairmanships of Committees of other Boards (Listed entities)	
1. Directorships in other listed entities:	(i) Tata Coffee Ltd. (ii) Tata Global Beverages Ltd.
2. Chairmanships of the Committees' of other Boards:	(i) Risk Management Committee

3. Membership of Committees of other Boards	(i) Audit Committee (ii) M&A Committee (iii) Nomination & Remuneration Committee (iv) Corporate Social Responsibility Committee
No. of Equity Shares held in the Bank as on March 31, 2019	Nil
No. of Board meetings attended during the year	3/ 3*
Relationship between Directors inter-se, Managers and Other Key Managerial Personnel of the Bank	None
Terms and conditions of appointment / re-appointment	As may be recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.
Remuneration sought to be paid	Sitting Fees and Commission on the profit within the limits stipulated by law.
Remuneration last drawn	Remuneration for the period from Date of Appointment until March 31, 2019. Sitting Fees: ₹ 4,50,000/- Commission: ₹ 2,44,444/-

*Note: The number of Board Meetings attended by Additional Directors is as per their individual dates of appointment..

5. Mr. Rajiv Agarwal, Additional Director

DIN	00336487
Date of Birth	January 4, 1957
Age	62 years
Date of first Appointment on the Board of the Bank	March 15, 2019
Qualifications	B.SC (Hons.) Physics, Post Graduate – Polymer Science.
Brief Resume including experience	<p>Mr. Rajiv Agarwal, B.Sc. (Physics), completed the 2-year Course in Materials Science in Cranfield Institute of Technology, UK.</p> <p>Mr. Agarwal has about 38 years of experience in 'Small Scale Industries' segment.</p> <p>Mr. Agarwal had started his career in the family business at JG Vacuum Flasks Pvt. Ltd., manufacturers of thermos flasks and vacuum refills, with significant exports to Europe.</p> <p>During his career, Mr. Agarwal has been a Promoter in several small-scale ventures, primarily manufacturing concerns.</p> <p>Mr. Agarwal is presently Director in Rightsource Technologies Pvt. Ltd. and Autopress India Pvt. Ltd. He is also a Partner in Sensory Solutions.</p> <p>Rightsource Technologies Pvt. Ltd. is a Consulting Company working as a local strategic buying office for large international company manufacturing home and kitchen appliances and cookware.</p> <p>Autopress India Pvt. Ltd., a high-end manufacturer of cookware in the Indian market, was one of the first companies to bring "Triply" cookware under the brand name of STAHL. STAHL is present in about 1,400 top retail outlets across India. STAHL has also brought the first Triply Pressure Cooker to the Indian market.</p>
Nature of his Expertise in specific functional areas	Small Scale Industry
List of Directorships / Memberships / Chairmanships of Committees of other Boards (Listed entities)	None
No. of Equity Shares held in the Bank as on March 31, 2019	Nil
No. of Board meetings attended during the year	1/1*
Relationship between Directors inter-se, Managers and Other Key Managerial Personnel of the Bank	None
Terms and conditions of appointment / re-appointment	As may be recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.
Remuneration sought to be paid	Sitting Fees and Commission on the profit within the limits stipulated by law.
Remuneration last drawn	<p>Remuneration from Date of Appointment until March 31, 2019.</p> <p>Sitting Fees: ₹ 1,20,000/-</p> <p>Commission: ₹ 47,222/-</p>

*Note: The number of Board Meetings attended by Additional Directors is as per their individual dates of appointment.

Bank's Branches

Details of branches are accessible on the Bank's website at:

<https://www.indusind.com/locate-us.html?q1=&q2=branches>