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STAPLE**OS AA01**Statement of details of parent law and other  
information for an overseas company

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**  
You cannot use this form  
an alteration of manner  
with accounting require

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COMPANIES HOUSE

**Part 1 Corporate company name**Corporate name of  
overseas company ①

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 \*① 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  
audited.

Legislation ②

THE COMPANIES ACT, 2013 - INDIA

② This means the relevant rules or  
legislation which regulates the  
preparation 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 A3.③ Please insert the name of the  
appropriate accounting organisation  
or body.Name of organisation  
or body ③


ACCOUNTING STANDARDS BOARD, INDIA

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

## Audited accounts

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

**Signature**

I am signing this form on behalf of the overseas company.	
Signature	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> X </div> <div style="text-align: center;">  </div> <div style="text-align: center;"> X </div> </div>
This form may be signed by: Director, Secretary, Permanent representative.	

**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	020 7484 5585

**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.

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The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh 1

**Northern Ireland:**

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
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**INDEPENDENT AUDITOR'S 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 (hereinafter referred to as "the Bank") and its subsidiary (the Bank and its subsidiary together referred to as "the Group"), and its associate, comprising of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Profit and Loss Account and the Consolidated Cash Flow statement for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "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 report of other auditor on separate financial statements and on the other financial information of the associate, the aforesaid consolidated financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ("the Act") in the manner so required 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, 2020, their consolidated profit and their consolidated cash flows for the year ended on that date.

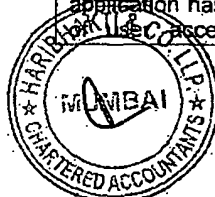
**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and 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 opinion on the consolidated 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 of the current year. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
<b>Information Technology (IT) Controls Framework</b> The Bank has a complex IT architecture to support its day-to-day business operations. The volume of transactions processed and recorded is huge. Moreover, a transaction may be required to be recorded across multiple applications depending upon the process and each application has different rules and a different set of user access and authority matrix. These	IT audit specialists are an integral part of our engagement team. Our approach of testing IT General Controls (ITGC) and IT Application Controls (ITAC) is risk based and business-centric.  As a part of our IT controls testing, we have tested ITGC as well as ITAC. The focus of



applications are interlinked using different technologies so that data transfer happens in real time or at a particular time of the day; in batches or at a transaction level and in an automated manner or manually. The Core Banking Solution (CBS) itself has many interfaces. All these data streams directly affect the financial accounting and reporting process of the Group.

The Group has a process for identifying the applications where these controls are embedded. It also has a process to ensure that systems, processes and controls remain relevant. The Group's IT control framework includes automated, semi-automated and manual controls designed to address identified risks. IT controls are stated in Entity Level Controls (ELC), IT General Controls (ITGC) and IT Application Controls (ITAC).

We have identified IT Controls Framework as a Key Audit Matter as the Group's business is highly dependent on information technology, the IT environment is complex and the design and operating effectiveness of IT controls have a direct impact on a financial reporting process. Review of these controls allows us to provide assurance on the integrity and completeness of data processed through various IT applications which are used for the preparation of financial reports.

testing of ITGCs was based on the parameters such as Completeness, Validity, Identification/Authentication and Authorization, Accuracy, Integrity and Accountability. On the other hand, focus of testing automated controls from applications was whether the controls prevent or detect unauthorized transactions and support financial objectives including completeness, accuracy, authorization and validity of transactions.

We gathered a comprehensive understanding of IT applications landscape implemented at the Group. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology.

In ITGC testing, we reviewed control areas such as User Management, Change Management, Systems Security, Incident Management, Physical & Environmental Security, Backup and Restoration, Business Continuity and Disaster Recovery, Service Level Agreement.

For ITAC, we carried out on sample basis, compliance tests of system functionality in order to assess the accuracy of system calculations. We also carried out procedures such as validations and limit checks on data entered into applications, approvals, process dependencies and restriction on time period in which transactions may be recorded.

We tested the control environment using various techniques such as inquiry, review of documentation/record/reports, observation and re-performance. We also tested few controls using negative testing technique. We had taken adequate samples of instances for our tests.

Wherever deviations were noted either the same were explained to our satisfaction or we tested compensating controls and performed alternate procedures, where necessary, to draw comfort.

## **Classification and Provisioning for Advances (Refer to the accounting policies in note 1.5 and 5 of Schedule 17 and note 11.1 of schedule 18 to the consolidated financial statements)**

The Bank's portfolio of loans and advances to customers amounts to Rs. 2,06,783.17 crore (Net of Provisions) as at March 31, 2020 comprising of wholesale banking and Retail banking customer. As required under Income Recognition, Asset Classification and provisioning norms (IRAC norms) issued by the Reserve Bank of India

Our audit procedures included, but were not limited to the following:

## **Provisions for Corporate Advances against specific individual loans (Wholesale Banking Customer)**



(RBI), guidelines on COVID 19 related Regulatory Package dated March 27, 2020 and April 17, 2020 issued by the RBI ('Regulatory Package') and other relevant circulars, notifications and directives issued by the RBI, the Bank classifies advances into performing and non-performing advances (NPA) which consists of Standard, Sub-standard, Doubtful and Loss and makes appropriate provisions. The Bank is also required to apply its judgment:

a) to determine the identification and provisions required against NPA by applying quantitative as well as qualitative factors.

b) to determine the potential impact of unprecedented COVID 19 pandemic on quality of assets of the Bank; and

c) to identify sectors wherein the Bank perceives stress and make higher provisions.

Classification and Provisioning for Advances is a Key Audit Matter as the Bank has significant credit risk exposure to a large number of borrowers across a wide range of borrowers, products, industries and geographies and there is a high degree of complexity, uncertainty and judgment involved in recoverability of advances and estimation of provisions thereon.

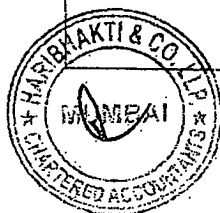
The same resulted in significant audit effort to address the risks around loan recoverability and the determination of related provisions.

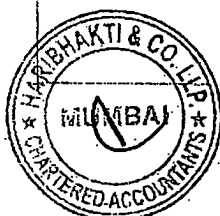
1. Tested the key controls over borrower risk grading for wholesale loans (larger customer exposures that are monitored individually) for classification of such loans as performing or non-performing advances.

- Tested on sample basis, the approval of new lending facilities against the Bank's credit policies, the performance of annual loan assessments, and controls over the monitoring of credit quality.
- Assessed the process for classification by the Management including identification of non-performing assets.
- Tested on sample basis loans to form our own assessment as to whether impairment events had occurred and to assess whether impairment had been identified in a timely manner.
- For the selected non-performing advances, we assessed Management's forecast and inputs of recoverable cash flows, comments of auditors' of the borrowers in the audit report, valuation of underlying security and collaterals, estimate of recoverable amounts on default and other sources of repayment.
- Held specific discussions 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.

This included testing controls over the identification of exposures showing signs of stress, either due to internal factors specific to the borrower or external macroeconomic factors, and testing the timeliness of and the accuracy of risk assessments and risk grading against the requirements of the Bank's lending policies and IRAC norms issued by RBI.

2. Performing credit assessments of a sample of corporate loans managed by a specific group assessed as higher risk or impaired, focusing on larger exposures assessed by the Bank as showing signs of deterioration, or in areas of emerging risk (assessed against external market conditions). We challenged the Bank's risk grading of the loan, their assessment of loan recoverability and the impact on the credit provision. To do this, we used the information on the Borrowers loan file, discussed the case with the concerned officials and senior management, and performed our own assessment of recoverability.





**Provisions for Retail advances against specific individual loans (Retail Banking Customer)**

1. For retail loans (smaller customer exposures not monitored individually), tested controls over the systems which record lending arrears, delinquency buckets based on the number of days loans overdue, and calculate individual provisions.
2. Tested automated calculations and change management controls and evaluated the Bank's oversight of the portfolios, with a focus on controls over delinquency statistics monitoring.
3. Tested on a sample basis the level of provisions held against different loan products based on the delinquency profile and challenged assumptions made in respect of expected recoveries, primarily from collateral held.

**Provisions estimated across loan portfolios (collective provision)**

1. Tested the Bank's processes for making collective provision;
2. Validated the parameters used to calculate collective provisions with reference to IRAC norms, and Regulatory Package;
3. Tested the completeness and accuracy of data transferred from underlying source systems used for computing collective provision;
4. Re-performed, for a sample of retail and wholesale portfolios, the calculation of collective provisions, to determine the accuracy of the same;
5. Reviewed the Bank's process for granting moratorium to borrowers as per the Regulatory Package announced by the RBI. We tested the completeness and accuracy of the data used for computing general provision in line with Regulatory package issued by RBI. With respect to additional provision made by the Bank on account of the impact of Covid-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Bank.

**Emphasis of Matter**

We draw attention to Schedule 18 - Note 12 to the consolidated financial statements which explains that the extent to which COVID-19 pandemic will impact the bank's operations and financial results is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

**Other Information**

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report and Management Discussion and Analysis and other elements forming part of the Annual Report, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon and the Pillar III Disclosures under the New Capital Adequacy Framework (Basel III disclosures). The other information is expected to be made available to us after the date of this report.

Our opinion on the consolidated financial statements does not cover the other information and the Basel III disclosures and accordingly, 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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**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 including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder, provision of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by Reserve Bank of India ("RBI") from time to time. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 the Group and of its associate are responsible for assessing the ability of the Group and of its associate 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.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.





**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 SAs 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 SAs, 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, its subsidiary company and associate company, which are companies incorporated in India, have adequate internal financial controls with reference to financial statements 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 the 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 and its associate 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 and its associate 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 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:



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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 of the current year 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 Matters

- (a) The accompanying consolidated financial statements include Bank's share of net profit of Rs. 0.32 crores for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. This financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid associate, is based solely on the report of such other auditor.
- (b) The audit of consolidated financial statements for the year ended March 31, 2019, was carried out and reported by S.R. Batliboi & Co. LLP, vide their unmodified audit report dated May 22, 2019, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the consolidated financial statements.

Our opinion 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.

## 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, as noted in the Other Matters section above we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
- The Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder to the extent they are not inconsistent with accounting policies prescribed by RBI;
- On the basis of the written representations received from the directors of the Bank as on March 31, 2020 taken on record by the Board of Directors of the Bank and the reports of the statutory auditors of its subsidiary company and associate company, incorporated in India, none of the directors of the Group companies and its associate company, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;



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f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank, its subsidiary company and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate report in the "Annexure";

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act;

In our opinion and to the best of our information and according to the explanations given to us by the Bank and the reports of the statutory auditors of its subsidiary company and associate company, incorporated in India, the remuneration paid/provided to its directors during the year by the subsidiary company and associate company incorporated in India is in accordance with the provisions of section 197 of the Act. Further, requirement prescribed under section 197 of the Act is not applicable to the Bank by virtue of section 35B (2A) of the Banking Regulation Act, 1949.

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, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate - Refer Schedule 12 and Note 4 of Schedule 18 to the consolidated financial statements;

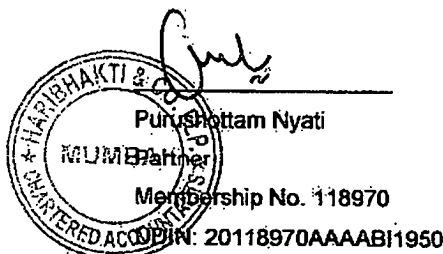
(ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 5 of Schedule 18 to the consolidated financial statements in respect of such items as it relates to the Group and its associate;

(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 incorporated in India.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048



Place: Mumbai

Date: April 27, 2020

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of IndusInd Bank Limited on the consolidated financial statements for the year ended March 31, 2020]

**Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of IndusInd Bank Limited ("the Bank") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of the Bank, its subsidiary company and its associate company, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Bank, its subsidiary company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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**

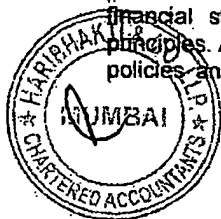
Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Bank, its subsidiary company and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements was 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 auditor, in terms of their report 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 with reference to financial statements of the Bank, its subsidiary company and its associate company.

**Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements 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 company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,



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accurately and fairly reflect the transactions and dispositions of the assets of the company; (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 company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditor as mentioned in Other Matters paragraph below, the Bank, its subsidiary company and its associate company, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

## Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to an associate company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For Haribhakti & Co. LLP:

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048



Purushottam Nyati

Partner

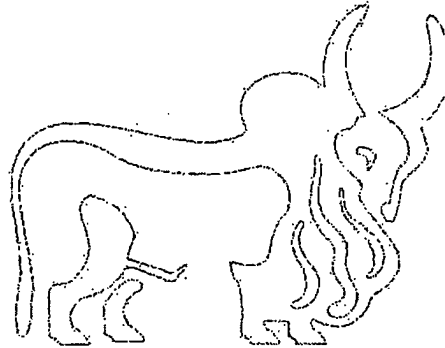
Membership No. 118970

UDIN: 20118970AAAABI1950

Place: Mumbai

Date: April 27, 2020

CONSOLIDATED FINANCIAL STATEMENTS



***IndusInd Bank***

**Balance Sheet as at March 31, 2020  
and  
Profit and Loss Account  
for the year ended March 31, 2020**

**Registered Office**  
2401, Gen Thimmayya Road  
Cantonment  
Pune 411 0001.

**Corporate Office**  
8<sup>th</sup> Floor, Tower 1  
One Indiabulls Centre  
841 Senapati Bapat Marg,  
Elphinstone Road  
Mumbai 400 013.

## Consolidated Balance Sheet as at March 31, 2020

Rupees in '000s

	Schedule	As at 31.03.2020	As at 31.03.2019
<b>Capital and Liabilities</b>			
Capital	1	693,53,57	602,68,69
Employee Stock Options Outstanding	1B(Noté 9)	9,47,82	11,18,84
Share Warrants Subscription Money	1B(Noté 2)	673,81,53	-
Reserves and Surplus	2	33371,20,25	26073,36,99
Deposits	3	202026,99,06	194867,90,69
Borrowings	4	60753,54,94	47321,12,24
Other Liabilities and Provisions	5	9700,03,30	8944,42,55
	<b>Total</b>	<b>307228,60,47</b>	<b>277820,70,00</b>
<b>Assets</b>			
Cash and Balances with Reserve Bank of India	6	13682,58,23	9961,17,40
Balances with Banks and Money at Call and Short Notice	7	2371,52,36	4822,22,67
Investments	8	59938,44,09	59268,04,38
Advances	9	206783,16,36	186393,50,14
Fixed Assets	10	1870,87,56	1710,01,16
Other Assets	11	22582,01,87	15665,74,25
	<b>Total</b>	<b>307228,60,47</b>	<b>277820,70,00</b>
Contingent Liabilities	12	967601,83,32	952668,44,61
Bills for Collection		22573,29,23	32971,50,77
Significant Accounting Policies	17		
Notes to the 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 Haribhakti & Co. LLP

Chartered Accountants

Firm Registration No: 103523W/WI00048

For and on behalf of Board of Directors

per Purushottam Nyati

Partner

Membership No: 118970



Sumant Kathpalia  
Managing Director & CEO  
DIN - 01054434

Sanjay Asher  
Director  
DIN - 00008221

Arun Tiwari  
Chairman  
DIN - 05345547

Bhayna Doshi  
Director  
DIN - 00400508

Place : Mumbai

Date : April 27, 2020

S.V. Zaregaonkar  
Chief Financial Officer

Hareesh Gajwani  
Company Secretary  
M.No. ACS-18225





Consolidated Profit and Loss Account for the year ended March 31, 2020			
		Rupees in '000s	
	Schedule	Year ended 31.03.2020	Year ended 31.03.2019
<b>I. Income</b>			
Interest Earned	13	28782,82,99	22261,15,05
Other Income	14	6952,67,15	5646,71,89
<b>Total</b>		<b>35735,50,14</b>	<b>27907,86,94</b>
<b>II. Expenditure</b>			
Interest Expended	15	16724,08,56	13414,96,68
Operating Expenses	16	8182,58,73	6405,29,76
Provisions and Contingencies	18(Note 11.1)	6370,96,30	4787,12,11
<b>Total</b>		<b>31277,63,59</b>	<b>24607,38,55</b>
<b>III. Profit</b>			
Net Profit for the year		4457,86,55	3300,48,39
Add : Share in profit / (loss) of Associate		31,51	26,93
Profit brought forward		11108,21,22	9313,10,72
Additions on Amalgamation	18(Note 1)	443,32,77	-
<b>Total</b>		<b>16009,72,05</b>	<b>12613,86,04</b>
<b>IV. Appropriations</b>			
a) Transfer to Statutory Reserve		1104,47,82	825,27,45
b) Transfer to Capital Reserve		164,12,88	39,53,24
c) Transfer to Investment Reserve Account		(40,52,98)	-
d) Transfer to Investment Fluctuation Reserve Account		203,78,18	115,11,90
e) Dividend paid including tax on dividend [Refer Schedule 18(Note 11.2)]		626,51,82	542,93,85
f) Deductions during the year		426,14,43	(17,21,62)
		2484,52,15	1505,64,82
Balance carried over to the Balance Sheet		13525,19,90	11108,21,22
<b>Total</b>		<b>16009,72,05</b>	<b>12613,86,04</b>
<b>V. Earnings per equity share</b> (Face value of Rs.10/- per share)			
Basic (Rs.)	18(Note 10.5)	64.33	54.89
Diluted (Rs.)	18(Note 10.5)	64.10	54.45
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 Haribhakti & Co. LLP.

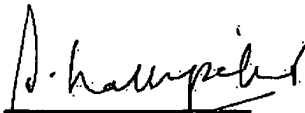
Chartered Accountants

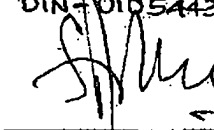
Firm Registration No: 103523W/W100048.

For and behalf of Board of Directors

  
per Purushottam Nyati  
Partner.  
Membership No: 118970

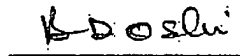



  
Sumant Kathpalia  
Managing Director & CEO  
DIN - 01054434

  
Sanjay Asher  
Director  
DIN - 00008221

  
S V Zaregaonkar  
Chief Financial Officer

  
Arun Tiwari  
Chairman  
DIN - 05345547

  
Bhavna Doshi  
Director  
DIN - 00400508

  
Hareesh Gajwani  
Company Secretary  
M.No ACS - 18225

Place: Mumbai

Date: April 27, 2020



### Consolidated Cash Flow Statement for the year ended March 31, 2020

	Rupees in '000s	
	Year ended 31.03.2020	Year ended 31.03.2019
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before taxation	6176,72,76	4979,95,85
Adjustments for :		
Depreciation on Fixed assets	290,94,49	228,85,18
Depreciation on Investments	474,93,09	173,47,21
Employees Stock Option expenses	36,53	30,33
Loan Loss and Other Provisions	4177,17,16	2934,17,44
Amortisation of premium on HTM investments	457,76,37	294,40,10
(Profit) / Loss on sale of fixed assets	8,61,50	1,17,50
Share in current period profit of Associate	31,51	26,93
Operating Profit before Working Capital changes	11586,83,41	8612,60,54
Adjustments for :		
(Increase) / Decrease in Advances	(20845,89,11)	(44374,01,80)
(Increase) / Decrease in Investments	(1602,89,17)	(9657,58,30)
(Increase) / Decrease in Other Assets	(6255,93,35)	(2979,60,45)
Increase / (Decrease) in Deposits	7312,19,99	43228,73,26
Increase / (Decrease) in Other Liabilities	(962,71,44)	1105,36,64
Cash generated from / (used in) Operations	(10768,39,67)	(4064,50,11)
Direct Taxes paid (net of refunds)	(2138,95,52)	(2324,44,76)
Net Cash generated from / (used in) Operating Activities	(12907,35,19)	(6388,94,87)
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets (including WIP)	(420,47,01)	(643,46,44)
Proceeds from sale of Fixed Assets	4,31,51	5,52,73
Net Cash used in Investing Activities	(416,15,50)	(637,93,71)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of equity shares (net of issue expenses)	60,60,09	100,54,25
Dividends paid	(626,51,82)	(542,93,85)
Proceeds from Perpetual Debt instruments	-	1489,90,00
Proceeds from issue of share warrants	673,81,53	-
Increase / (Decrease) in Borrowings	12624,79,71	7542,14,42
Net Cash generated from / (used in) Financing Activities	12732,69,51	8589,64,82
Effect of foreign currency translation reserve	20,98,16	4,76,09
Net Increase / (Decrease) in Cash and Cash Equivalents	(569,83,02)	1567,52,33
Cash and Cash Equivalents at the beginning of the year	14783,40,07	13215,87,74
Cash and Cash Equivalents acquired on Merger	1840,53,54	-
Cash and Cash Equivalents at the end of the year	16054,10,59	14783,40,07

#### 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 comprises of Cash in Hand and Balances with RBI (Schedule 6) and Balances with Banks and Money at Call and Short Notice (Schedule 7).

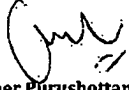


As per our report of even date:


For Haribhakti & Co. LLP  
Chartered Accountants

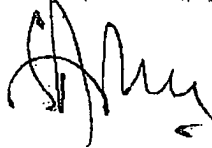
Firm Registration No: 103523W/W100048

For and behalf of Board of Directors


  
per Purushottam Nyati  
Partner  
Membership No: 118970



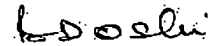
  
Sumant Kotharia  
Managing Director & CEO  
DIN - 01054434



Sanjay Asher  
Director  
DIN - 00008221



Arun Tiwari  
Chairman  
DIN - 05345547



Bhavna Doshi  
Director  
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S.V. Zaregankar  
Chief Financial Officer



Hareesh Gajwani  
Company Secretary  
M.No. ACS-18225

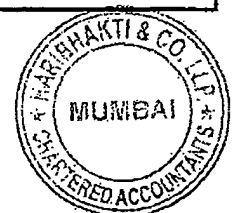
Place: Mumbai  
Date: April 27, 2020



Schedules		
	Rupees in '000s	
	As at 31.03.2020	As at 31.03.2019
<b>Schedule - 1 Capital</b>		
<b>Authorised Capital</b>		
85,70,00,000 (Previous year 70,00,00,000) equity shares of Rs. 10 each	857,00,00	700,00,00
<b>Issued, Subscribed and Called Up Capital</b>		
69,35,35,738 (Previous year 60,26,86,868) equity shares of Rs. 10 each	693,53,57	602,68,69
<b>Paid up Capital</b>		
69,35,35,738 (Previous year 60,26,86,868) equity shares of Rs. 10 each [Refer Schedule 18(Note 2)]	693,53,57	602,68,69
<b>Total</b>	<b>693,53,57</b>	<b>602,68,69</b>
<b>Schedule - 2 Reserves and Surplus</b>		
<b>I Statutory Reserve</b>		
Opening balance	4649,54,14	3824,26,69
Additions on Amalgamation [Refer Schedule 18(Note 1)]	524,20,19	-
Additions during the year	1104,47,82	825,27,45
	6278,22,15	4649,54,14
<b>II Share Premium Account</b>		
Opening balance	9572,91,89	9471,15,41
Additions on Amalgamation [Refer Schedule 18(Note 1)]	2791,72,88	-
Additions during the year	61,44,54	101,76,48
	12426,09,31	9572,91,89
<b>III General Reserve</b>		
Opening balance	1,35,57	1,35,57
Additions during the year	6,97,27	-
	8,32,84	1,35,57
<b>IV Capital Reserve</b>		
Opening balance	262,90,04	223,36,80
Additions during the year	164,12,88	39,53,24
	427,02,92	262,90,04



Schedules		
	Rupees in '000s	
	As at 31.03.2020	As at 31.03.2019
<b>V Capital Reserve on Consolidation</b>		
Opening balance	35	35
Additions during the year	-	-
	<u>35</u>	<u>35</u>
<b>VI Investment Allowance Reserve</b>		
Balance as at the end of the year	1,00,00	1,00,00
Deductions during the year	(1,00,00)	-
	<u>-</u>	<u>1,00,00</u>
<b>VII Investment Reserve Account</b>		
Opening balance	40,52,98	40,52,98
Deductions during the year	(40,52,98)	-
	<u>-</u>	<u>40,52,98</u>
<b>VIII Investment Fluctuation Reserve</b>		
Opening balance	115,11,90	-
Additions during the year	203,78,18	115,11,90
	<u>318,90,08</u>	<u>115,11,90</u>
<b>IX Revaluation Reserve</b>		
Opening balance	325,55,16	362,20,33
Reduction during the year	-	(29,69,37)
Deductions during the year	(5,97,27)	(6,95,80)
	<u>319,57,89</u>	<u>325,55,16</u>
<b>X Foreign Currency Translation Reserve</b>		
Opening balance	(3,76,26)	(8,52,35)
Credits during the year	20,98,16	4,76,09
	<u>17,21,90</u>	<u>(3,76,26)</u>
<b>XI Amalgamation Reserve</b>		
Opening balance	-	-
Additions on Amalgamation [Refer Schedule 18 (Note 1)]	50,62,91	-
	<u>50,62,91</u>	<u>-</u>
<b>XII Balance in the Profit and Loss Account</b>	<u>13525,19,90</u>	<u>11108,21,22</u>
<b>Total</b>	<b>33371,20,25</b>	<b>26073,36,99</b>



## Schedules

Rupees in '000s

As at  
31.03.2020

As at  
31.03.2019

### Schedule - 3 Deposits

#### A I Demand Deposits

i) From Banks	351,26,32	597,47,82
ii) From Others	28075,92,85	28986,99,87

#### II Savings Bank Deposits

	53129,82,68	54485,66,51
--	-------------	-------------

#### III Term Deposits

i) From Banks	12814,76,45	8781,87,79
ii) From Others	107655,20,76	102015,88,70

**Total** 202026,99,06 194867,90,69

#### B Deposits of Branches

I In India	202026,99,06	194867,90,69
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#### II Outside India

**Total** 202026,99,06 194867,90,69

### Schedule - 4 Borrowings

#### I Borrowings in India

i) Reserve Bank of India	515,00,00	
ii) Other Banks	6140,35,86	1715,54,93
iii) Other Institutions and Agencies	27214,87,19	20468,73,76
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	3489,90,00

#### II Borrowings outside India

	21393,41,89	19646,93,55
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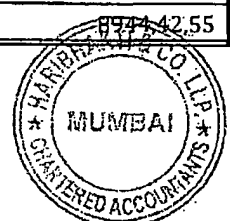
**Total** 60753,54,94 47321,12,24

Secured borrowings, other than Market repo borrowings, including tri-party repo, and borrowings from RBI under Liquidity Adjustment Facility/ Marginal Standing Facility

### Schedule - 5 Other Liabilities And Provisions

I Inter-office Adjustments (Net)	94,06,52	274,81,49
II Bills Payable	476,89,93	573,66,27
III Interest Accrued	1276,60,46	1184,36,65
IV Others	7852,46,39	6911,58,14

**Total** 9700,03,30 8974,42,55



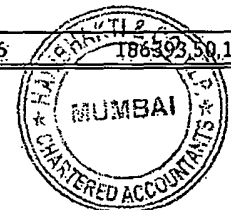
# IndusInd Bank

Schedules		
	As at 31.03.2020	Rupees in '000s As at 31.03.2019
<b>Schedule - 6 Cash and Balances with Reserve Bank of India</b>		
<b>I Cash in hand (including foreign currency notes)</b>	<b>1408,36,02</b>	<b>964,47,15</b>
<b>II Balances with Reserve Bank of India</b>		
i) In Current Account	12274,22,21	8996,70,25
ii) In Other Accounts	-	-
<b>Total</b>	<b>13682,58,23</b>	<b>9961,17,40</b>
<b>Schedule - 7 Balances with Banks and Money at Call and Short Notice</b>		
<b>I In India</b>		
i) Balances with Banks		
a) In Current Accounts	140,36,47	650,43,54
b) In Other Deposit Accounts	1000,49,62	1954,75,00
ii) Money at Call and Short Notice - Banks / Other Institutions	-	-
<b>Total</b>	<b>1140,86,09</b>	<b>2605,18,54</b>
<b>II Outside India</b>		
i) In Current Accounts	1064,19,97	1387,18,13
ii) In Other Deposit Accounts	-	-
iii) Money at Call and Short Notice	166,46,30	829,86,00
<b>Total</b>	<b>1230,66,27</b>	<b>2217,04,13</b>
<b>Grand Total</b>	<b>2371,52,36</b>	<b>4822,22,67</b>



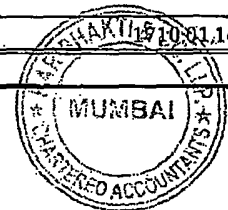


Schedules		
	Rupees in '000s	
	As at 31.03.2020	As at 31.03.2019
<b>Schedule - 8 Investments</b>		
<b>I In India</b>		
Gross Value:	61148,22,06	59650,10,37
Less : Aggregate of provision / depreciation	1361,10,97	382,05,99
<b>Net value of Investments in India</b>	<b>59787,11,09</b>	<b>59268,04,38</b>
Comprising :		
i) Government securities *	52596,92,97	48644,76,19
ii) Other approved securities	-	-
iii) Shares	617,67,12	129,36,15
iv) Debentures and bonds	2685,86,89	5290,03,44
v) Subsidiaries and / or Joint Ventures	-	-
vi) Others - Certificate of Deposits, Commercial Papers, Security Receipts, Pass Through Certificates, Units of schemes of Mutual Funds, Venture Capital Funds and Others	3884,43,72	5201,99,72
vii) Associate <sup>(1)</sup>	2,20,39	1,88,88
<b>II Outside India</b>		
Gross Value	151,33,00	-
Less : Aggregate of provision / depreciation	-	-
<b>Net value of Investments outside India</b>	<b>151,33,00</b>	<b>-</b>
Comprising :		
i) Government securities	151,33,00	-
<b>Total</b>	<b>59938,44,09</b>	<b>59268,04,38</b>
* Includes securities of Rs. 1,091.20 crores (previous year Rs. 1,105.22 crores) pledged for clearing facility and margin requirements.		
<b>(1) Investment in Associate</b>		
Investment at Cost	30	30
Add : Capital Reserve on the date of Acquisition	35	35
<b>Equity Investment in Associate</b>	<b>65</b>	<b>65</b>
Add : Post-acquisition profit / (loss) of Associate (Equity method)	2,19,74	1,88,23
Less : Share of Unrealised Profit in Associate	-	-
<b>Total</b>	<b>2,20,39</b>	<b>1,88,88</b>
<b>Schedule - 9 Advances</b>		
<b>A i) Bills Purchased and Discounted</b>	<b>1230,30,17</b>	<b>587,37,01</b>
ii) Cash Credits, Overdrafts and Loans Repayable on Demand	53125,33,86	58066,82,92
iii) Term Loans	152427,52,33	127739,30,21
<b>Total</b>	<b>206783,16,36</b>	<b>186593,50,14</b>

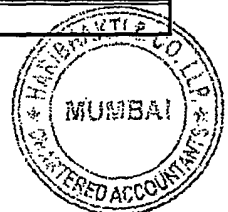


## Schedules

		Rupees in '000s	
	As at 31.03.2020	As at 31.03.2019	
<b>B i) Secured by Tangible Assets</b>			
(including advances against book debts)	154018,90,39	146489,54,88	
ii) Covered by Bank/ Government Guarantees	2880,88,06	2459,80,00	
(including advances against L/Cs issued by Banks)			
iii) Unsecured	49883,37,91	37444,15,26	
<b>Total</b>	<b>206783,16,36</b>	<b>186393,50,14</b>	
<b>C. I Advances in India</b>			
i) Priority Sector	66350,94,50	60348,94,68	
ii) Public Sector	3537,15,08	6603,98,65	
iii) Banks	-	-	
iv) Others	130602,44,57	114893,16,77	
<b>Total</b>	<b>200490,54,15</b>	<b>181846,10,10</b>	
<b>II Advances Outside India</b>	<b>6292,62,21</b>	<b>4547,40,04</b>	
<b>Total</b>	<b>206783,16,36</b>	<b>186393,50,14</b>	
<b>Schedule - 10 Fixed Assets</b>			
<b>I Premises</b>			
i) At cost, as at the beginning of the year	874,15,74	575,64,31	
ii) Revaluation during the year	-	(29,69,37)	
iii) Additions on amalgamation	-	-	
iv) Additions during the year	-	329,56,52	
	<b>874,15,74</b>	<b>875,51,46</b>	
v) Less : Deductions on transfer to wholly owned subsidiary	-	-	
vi) Less : Deductions during the year	-	1,35,71	
vii) Less : Depreciation to date [Refer Schedule 18 (Note 3.3)]	104,57,62	91,22,68	
<b>Total</b>	<b>769,58,12</b>	<b>782,93,07</b>	
<b>II Other Fixed Assets (including furniture and fixtures)</b>			
i) At cost, as at the beginning of the year	2347,17,24	1945,09,81	
ii) Additions on amalgamation	44,67,41	-	
iii) Additions during the year	363,59,48	317,39,35	
	<b>2755,44,13</b>	<b>2262,49,16</b>	
iv) Less : Deductions on transfer to wholly owned subsidiary	47,08,86	-	
v) Less : Deductions during the year	105,77,24	40,14,63	
iv) Less : Depreciation to date [Refer Schedule 18 (Note 3.3)]	1580,12,17	1317,21,21	
<b>Total</b>	<b>1022,45,86</b>	<b>905,13,32</b>	
<b>III Capital Work in Progress</b>	<b>78,83,58</b>	<b>21,94,77</b>	
<b>Grand Total</b>	<b>1870,87,56</b>	<b>1870,81,16</b>	



Schedules		
	Rupees in '000s	
	As at 31.03.2020	As at 31.03.2019
<b>Schedule - 11 Other Assets</b>		
I Interest Accrued	2641,65,30	1748,67,24
II Tax paid in advance / Tax deducted at source (net of provisions)	1575,40,38	1240,88,58
III Stationery and Stamps	81,20	51,34
IV Non-banking assets acquired in satisfaction of claims	365,34,57	368,87,55
V Others (Including Deferred Tax Assets [Refer Schedule 18 (Note 10.6)])	17998,80,42	12306,79,54
<b>Total</b>	<b>22582,01,87</b>	<b>15665,74,25</b>
<b>Schedule - 12 Contingent Liabilities</b>		
I Claims against the Bank not acknowledged as debts	486,83,21	395,63,94
II Liability on account of outstanding Forward Exchange Contracts	423526,41,59	473430,65,55
III Liability on account of outstanding Derivative Contracts	457580,52,38	402254,88,57
IV Guarantees given on behalf of constituents		
- In India	58064,59,89	49676,58,49
- Outside India	611,00,00	783,23,73
V Acceptances, Endorsements and Other Obligations	26029,47,25	23398,38,34
VI Other Items for which the Bank is contingently liable	1302,99,00	2729,05,99
<b>Total</b>	<b>967601,83,32</b>	<b>952668,44,61</b>
	Year ended on 31.03.2020	Year ended on 31.03.2019
	Consolidated	Consolidated
<b>Schedule - 13 Interest Earned</b>		
I Interest/Discount on Advances/ Bills	24008,24,57	18256,67,91
II Income on Investments	4282,19,28	3677,34,05
III Interest on Balances with Reserve Bank of India and other inter-bank funds	192,02,49	102,02,71
IV Others	300,36,65	225,10,38
<b>Total</b>	<b>28782,82,99</b>	<b>22261,15,05</b>
<b>Schedule - 14 Other Income</b>		
I Commission, Exchange and Brokerage	4615,80,71	4072,96,41
II Profit / (Loss) on Sale of Investments (Net)	552,56,14	115,11,90
III Profit / (Loss) on Sale of Land, Buildings and Other Assets (Net)	(8,61,50)	(1,17,50)
IV Profit on exchange transactions / Derivatives (Net)	1598,73,18	1359,31,10
V Income earned by way of dividend from companies in India	30,02	33,88
VI Miscellaneous Income	193,88,60	100,16,10
<b>Total</b>	<b>6952,67,15</b>	<b>5646,71,89</b>



## Schedules

Rupees in '000s

	Year ended on 31.03.2020	Year ended on 31.03.2019
<b>Schedule - 15 Interest Expended</b>		
I Interest on Deposits	12907,94,14	10609,04,13
II Interest on Reserve Bank of India / Inter-Bank Borrowings	802,44,52	611,46,53
III Other Interest	3013,69,90	2194,46,02
<b>Total</b>	<b>16724,08,56</b>	<b>13414,96,68</b>
<b>Schedule - 16 Operating Expenses</b>		
I Payments to and Provisions for Employees	2819,63,82	1853,51,34
II Rent, Taxes and Lighting (includes operating lease rentals)	499,22,82	408,58,52
III Printing and Stationery	96,42,46	72,72,43
IV Advertisement and Publicity	58,04,92	40,46,82
V Depreciation on Bank's Property	290,94,49	228,85,18
VI Directors' Fees, Allowances and Expenses	3,90,13	3,67,92
VII Auditors' Fees and Expenses	2,57,95	197,03
VIII Law Charges	69,67,15	67,84,04
IX Postage, Telegrams, Telephones, etc.	156,85,22	141,56,71
X Repairs and Maintenance	381,44,32	335,62,77
XI Insurance	280,51,34	194,69,47
XII Service Provider Fees	592,69,01	459,97,54
XIII Other Expenditure	2930,65,10	2595,79,99
<b>Total</b>	<b>8182,58,73</b>	<b>6405,29,76</b>



**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 IndusInd Financial Inclusion Limited ('IFIL') was incorporated in August 6, 2018 under the Companies Act, 2013 with the purpose to act as business correspondent of IndusInd Bank Limited ('IBL'). The Company is a wholly owned subsidiary of IBL.

1.3 Subsequently, name of the wholly owned subsidiary "IndusInd Financial Inclusion Limited" ('IFIL'), has been changed to "Bharat Financial Inclusion Limited" (BFIL) vide certificate of incorporation pursuant to change of name dated August 2, 2019 issued by the Registrar of Companies, Mumbai.

**1.4 Principles of Consolidation**

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

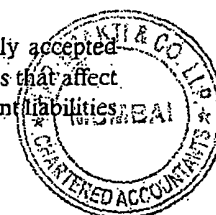
The Bank consolidates its subsidiary in which it holds 100% control on a line by line basis by adding together like items of assets, liabilities, income and expenses in accordance with Accounting Standard 21 'Consolidated Financial Statement' specified under section 133 and relevant provision of the 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.

**1.5 Basis of preparation**

The accompanying consolidated 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 consolidated 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 consolidated financial statements. Management believes that the estimates and assumptions used in the preparation of the consolidated 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, 2020	% Shareholding of Group as at March 31, 2019
Bharat Financial Inclusion Limited (formerly known as IndusInd Financial Inclusion Limited)	India	100%	100% (August 6, 2018)

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

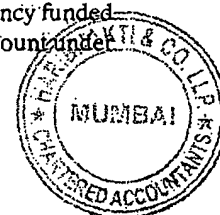
Name of the Associate	Country of Origin	% Shareholding of Group as at March 31, 2020	% Shareholding of Group as at March 31, 2019
IndusInd Marketing & Financial Services Private Limited	India	30%	30%

## 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.

### IndusInd Bank Ltd:

- 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.

**Bharat Financial Inclusion Ltd:**

- 2.8 Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous consolidated financial statements, are recognised as income or as expenses in the year in which they arise.

**3. Investments**

**IndusInd Bank Ltd:**

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.,

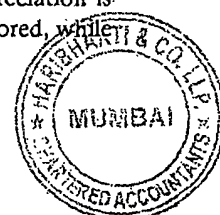
- (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Investments in Subsidiaries and Joint Ventures, and (vi) Other Investments.

**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 held under AFS and HFT categories are valued at the closing price on a recognised stock exchange, in accordance with the RBI guidelines. 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 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.

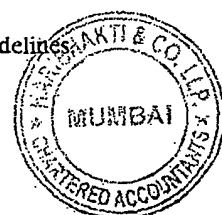
- 3.5 Investments in unquoted units of Venture Capital Funds (VCF) and Alternative Investment Funds (AIF) are categorised under HTM category for initial period of three years and valued at cost as per RBI guidelines. Units of VCF and AIF held under AFS category, where current quotations are not available, 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

##### **IndusInd Bank Ltd:**

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 Forward Contracts, Interest Rate Swaps, Currency Swaps, Cross Currency Interest Rate Swaps, Forward Rate Agreements, Interest Rate Futures, FX Futures, Currency Futures, etc. 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 market quotes 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 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**

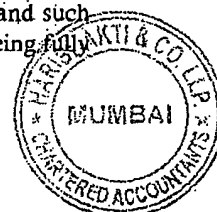
**IndusInd Bank Ltd:**

- 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**

**IndusInd Bank Ltd:**

- 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



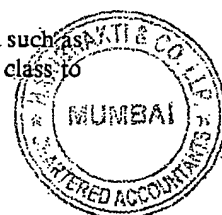
met) and the consideration has been received by the Bank. Gains or losses are recognized only if the Bank surrenders the rights to the benefits specified in the loan contracts.

- 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. In case of revalued/impaired assets, depreciation is provided over the remaining useful life of the assets with reference to revised asset values. In case of premises, which are carried at revalued amounts, the depreciation on the excess of revalued amount over historical cost is transferred from Revaluation Reserve to General Reserve annually.
- 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.

**7.5 Non-banking assets:**

**IndusInd Bank Ltd:**

Non-Banking Assets (NBAs) acquired in satisfaction of claims are carried at lower of net book value and net realisable value. Further, the Bank creates provision on non-banking assets as per specific RBI directions.

**8. Revenue Recognition**

**IndusInd Bank Ltd:**

- 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'.

**Bharat Financial Inclusion Ltd (BFIL):**

- 8.8 Services fees from IndusInd Bank Limited in the capacity of business correspondents are recognised on accrual basis by BFIL. All Other Income is recognised on an accrual basis.



**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 Group 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**

**IndusInd Bank Ltd:**

- 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.

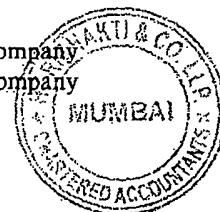
Provident Fund contributions, under defined contribution plan, as required by the statute made to the government provident fund or to a fund set up by the Bank and administered by a board of trustees is debited to the Profit and Loss Account when an employee renders the related service. The Bank has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

In respect of employees who opted for contribution to the National Pension System (NPS) regulated by the Pension Fund Regulatory and Development Authority (PFRDA), the Bank contributes certain percentage of the basic salary, under a defined contribution plan, to identified pension fund management companies. The Bank has no liability other than its contribution, and recognises such contributions as an expense in the year in which it is incurred.

- 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.

**Bharat Financial Inclusion Ltd (BFIL):**

- 10.5 Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company



recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

- 10.6 Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains and losses for defined benefit plans are recognised in full in the period in which they occur in the statement of profit and loss.
- 10.7 The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.
- 10.8 Accumulated leaves, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.
- 10.9 The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

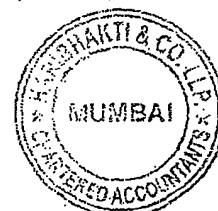
## **11. Segment Reporting**

- 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. It also includes income, expenses, assets and liabilities of BEIL.
  - (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**

### **IndusInd Bank Ltd:**

- 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**

**IndusInd Bank Ltd:**

- 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**

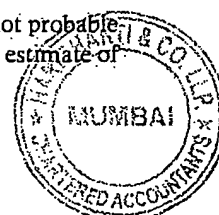
- 14.1 Tax expenses comprise of current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for 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 group; 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 consolidated 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.

**19. Grants**

**Bharat Financial Inclusion Ltd:**

- 19.1 Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Such grants are either be shown separately under 'other income' or deducted in reporting the related expense. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Group receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

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**Notes to the Consolidated Financial Statements  
for the year ended March 31, 2020**

**IndusInd Bank**

impact of these adjustments was Rs.270.44 crores which has been adjusted in the balance of Profit and Loss Account. Timing differences, if any, arising on these adjustments have been accounted with corresponding adjustment to Deferred Tax Asset.

4. The results for the year ended March 31, 2020 are not comparable with that of the corresponding period of the previous year.

## 2. Capital

### Capital Issue

Pursuant to the Scheme discussed in Note 1 becoming effective, on July 4, 2019, the authorised share capital of the Bank increased to Rs. 857.00 crore consisting of 85,70,00,000 equity shares of Rs.10 each (Previous Year Rs. 700.00 crore consisting of 70,00,00,000 equity shares of Rs.10 each).

On July 6, 2019, pursuant to the approval of the Finance Committee, 8,96,17,781 equity shares of Rs. 10 each fully paid aggregating to an amount of Rs. 89.62 crores were allotted to the eligible equity shareholders of e-BFIL at the Share Exchange Ratio of 639:1000, as approved in the Scheme.

Further, in accordance with the Scheme, on July 6, 2019, pursuant to the approval of the Finance Committee, the Bank allotted 1,57,70,985 Share Warrants to the Promoters of the Bank on receipt of the subscription amount at 25% of the Share Warrant price of Rs.1,709 per warrant, totalling to Rs.673.82 crores. Each Share Warrant is convertible to one equity share of the Bank fully paid, upon exercise of the option by paying the remaining 75% within 18 months of allotment.

During the year, 12,31,089 equity shares of Rs.10 each fully paid (Previous year 24,63,681 equity shares of Rs.10 each fully paid) aggregating to an amount of Rs. 60.60 crores (Previous year Rs. 100.54 crores) which includes the share capital and share premium, were allotted on various dates to the employees who exercised their stock options.

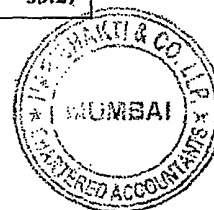
## 3. Fixed Assets

3.1 Cost of premises includes Rs. 4.09 crores (Previous year Rs. 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 Rs. 1.44 crores (Previous year Rs. 1.48 crores) and has filed a suit for the same.

### 3.2 Computer software

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

Particulars	(Rs. in crores)	
	March 31, 2020	March 31, 2019
At cost at the beginning of the year	467.69	389.71
Addition due to scheme of Amalgamation	32.98	-
Addition during the year	85.06	78.01
Deduction during the year	0	0.03
Accumulated depreciation as at the end of the year	407.42	315.74
Closing balance as at the end of the year	178.31	151.95
Depreciation charge for the year	66.09	55.27



**Notes to the Consolidated Financial Statements  
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**IndusInd Bank**

**3.3 Movement in depreciation of Fixed Assets**

	(Rs. in crores)	
Depreciation	2019-20	2018-19
<b>Premises</b>		
At the beginning of the year	91.23	82.15
Transferred from Revaluation Reserve		6.03
Charge for the year	13.35	3.25
Deduction during the year		0.20
Depreciation to date	104.58	91.23
<b>Other Fixed Assets</b>		
At the beginning of the year	1,317.21	1,125.28
Addition in the Scheme of Amalgamation	77.75	-
Charge for the year	277.60	225.60
Deduction during the year	92.44	33.67
Depreciation to date	1,580.12	1,317.21

**4. 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 Rs. 122.40 crores (Previous year Rs. 89.41 crores) in respect of which the Group is in appeal, and legal cases *sub judice* of Rs. 364.43 crores (Previous year Rs. 306.22 crores). The Group carries a provision of Rs. 4.52 crores (Previous year Rs. 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 Group has received demand order dated June 15, 2018 of Rs. 9.37 crores from Employees provident fund organization, Hyderabad. The Company filed Writ Petition before Hon'ble High court at Hyderabad against the said order and received interim stay against pre-deposit of Rs. 3.12 crores. The Company paid the same and have made provision in the books.

Contingent Liabilities not provided for on account of Provident Fund was Rs. 6.25 crores (Net of provision of Rs. 3.12 crores) (Previous year - Nil).

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 the 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 filed before the Hon'ble Supreme Court has been dismissed on August 28, 2019. The Group has implemented the direction given in the decision for computation of contribution towards Provident Fund, with effect from April 1, 2019. As the Group has been considering the reckonable components of salary for computation of contribution to Provident Fund in a liberal manner even prior to the decision, the Group is of the view that there is no liability pertaining to earlier years and consequently no effect has been given in the consolidated financial statement.

5. The Group has a process to assess periodically all long term contracts (including derivative contracts), for material foreseeable losses. At the year end, the Group 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.



**Notes to the Consolidated Financial Statements  
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**IndusInd Bank**

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

Amount required to be spent by the Group on CSR during the year is Rs. 108.11 crores (Previous year Rs. 88.62 crores).

Amount spent towards CSR during the year and recognised as expense in the statement of profit and loss on CSR related activities is Rs. 108.15 crores (Previous year Rs. 55.46 crores), which comprise of following:

(Rs. in crores)

	Year ended March 31, 2020			Year ended March 31, 2019		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of any asset	-	-	-	-	-	-
On purpose other than above	105.80	2.35	108.15	55.46	-	55.46
Total	105.80	2.35	108.15	55.46	-	55.46

**7. Drawdown from Reserves**

During the year ended March 31, 2020 and year ended March 31, 2019, the Group did not draw down from the reserves.

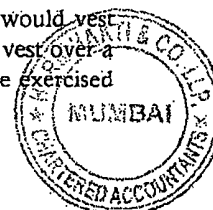
8. There is no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Group (Previous year Nil).

**9. Employee Stock Option Scheme**

9.1 The shareholders of the Bank approved Employee Stock Option Scheme (ESOS 2007) on September 18, 2007. ESOS 2007 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.

In accordance with the Scheme discussed in Note 1, the shareholders of the Bank approved IBL Special Incentive ESOS for BFIL Merger 2018 (ESOS 2018) on December 11, 2018. The ESOS 2018 was adopted to ensure that the e-BFIL employees who would become part of the Bank upon merger and held options outstanding under various e-BFIL Employee Stock Option Plans on the Effective Date were provided parity in relation to the stock options so held as well as adequately incentivized with further options. Accordingly, the ESOS 2018 was approved with a pool of 57,50,000 options, that are equity settled where the eligible e-BFIL employees would receive one equity share per stock option. In respect of eligible e-BFIL employees who held options outstanding (vested and unvested) on the Effective Date, the number of options and the exercise price were adjusted to reflect the share exchange ratio of 639 equity shares of the Bank for every 1,000 shares of e-BFIL. In respect of eligible e-BFIL employees who were incentivized with new options under ESOS 2018, 50% of the same would vest over a period of three years from the grant date and the remaining 50% of the same would vest over a period of three years from the first anniversary of the grant date, and such options shall be exercised over a period of five years from vesting.

ESOS 2007 and ESOS 2018 are, hereinafter, collectively referred to as ESOS.



**Notes to the Consolidated Financial Statements**  
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**IndusInd Bank**

As at March 31, 2020, the Compensation Committee of the Bank has granted a total of 4,86,64,142 options that includes 4,33,76,336 options granted under ESOS 2007 and 52,87,806 options granted under ESOS 2018, as set out below:

**ESOS 2007:**

Sr. No	Date of grant	2019-20		2018-19	
		No of options	Range of exercise price (Rs.)	No of options	Range of exercise price (Rs.)
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
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



**Notes to the Consolidated Financial Statements  
for the year ended March 31, 2020**

**IndusInd Bank**

Sr. No	Date of grant	2019-20		2018-19	
		No of options	Range of exercise price (Rs.)	No of options	Range of exercise price (Rs.)
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	64,000	1,889.80
56.	28-Sep-18	1,09,000	1,682.00	1,09,000	1,682.00
57.	20-Mar-19	85,000	1,725.20	85,000	1,725.20
58.	22-May-19	10,44,500	1,447.75		
59.	10-Oct-19	1,00,536	1,308.65		
60.	14-Jan-20	3,40,000	1,539.65		

**ESOS 2018:**

2019-20			
Sr. No	Date of grant	No of options	Range of exercise price (Rs.)
1.	04-Jul-19	30,01,266	688.00 - 1,864.00
2.	12-Jul-19	22,86,540	1,541.25

**9.2 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.



**Notes to the Consolidated Financial Statements  
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**IndusInd Bank**

**9.3 Stock option activity under ESOS 2007 is set out below**

	2019-20		2018-19	
	No. of options	Weighted average exercise price (Rs.)	No. of options	Weighted average exercise price (Rs.)
Outstanding at the beginning of the year	89,84,273	992.08	1,13,16,874	854.18
Granted during the year	14,85,036	1,459.37	2,58,000	1,747.78
Forfeited / surrendered during the year	1,97,975	1,658.63	1,24,610	1,591.98
Exercised during the year	12,23,446	488.93	24,63,681	408.10
Expired during the year	2,540	279.62	2,310	253.60
Outstanding at the end of the year	90,45,348	1,122.47	89,84,273	992.08
Options exercisable at the end of the year	69,50,562	994.55	68,40,698	816.40

The weighted average market price of options exercised during the year is Rs.1,437.49 (Previous year Rs. 1,554.61).

**Stock option activity under ESOS 2018 is set out below.**

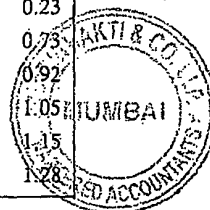
	2019-20	
	No. of options	Weighted average exercise price (Rs.)
Outstanding at the beginning of the year		
Granted during the year	52,87,806	1,518.28
Forfeited / surrendered during the year	2,16,314	1,519.22
Exercised during the year	7,643	1,024.05
Expired during the year		
Outstanding at the end of the year	50,63,849	1,518.98
Options exercisable at the end of the year	20,68,465	1,479.80

The weighted average market price of options exercised during the year is Rs.1,376.97 (Previous year Rs. Nil).

Following table summarizes the information about stock options outstanding as at March 31, 2020:

**ESOS 2007:**

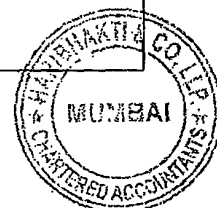
Date of grant	2019-20			2018-19		
	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)
17-Jan-11				228.70	1,70,000	
24-Jun-11				253.60	17,620	0.23
21-Dec-11	231.95	1,73,600	0.25	231.95	2,53,000	0.73
29-Feb-12				304.05	34,000	0.92
19-Apr-12	345.60	14,500	0.05	345.60	29,000	1.05
25-May-12	304.55	1,360	0.15	304.55	3,093	1.15
10-Jul-12	343.25	74,800	0.28	343.25	1,47,400	1.28



**Notes to the Consolidated Financial Statements  
for the year ended March 31, 2020**

**IndusInd Bank**

Date of grant	Exercise Price	2019-20			Exercise Price	2018-19	
		Number of shares arising out of options	Weighted average life of options (in years)			Number of shares arising out of options	Weighted average life of options (in years)
10-Oct-12					365.75	2,700	1.53
20-Jun-13	478.45	6,100	1.22		478.45	27,000	2.22
18-Jul-13	453.90	79,367	0.92		453.90	1,46,480	2.30
23-Sep-13					411.50	10,000	2.48
29-Oct-13	412.25	880	1.58		412.25	2,560	2.58
29-Jan-14	389.85	2,030	1.50		389.85	2,030	2.84
29-Jan-14 A	300.00	4,69,000	1.34		300.00	7,00,000	2.84
25-Mar-14	490.30	100,250	1.25		490.30	1,25,000	2.99
15-May-14	537.05	3,000	1.47		537.05	3,000	3.13
02-Jun-14	533.95	11,18,950	1.32		533.95	13,66,510	3.18
09-Jul-14	551.10	1,700	2.27		551.10	1,700	3.28
13-Oct-14	623.25	14,715	1.94		623.25	20,100	3.54
17-Jan-15	831.85	37,000	1.81		831.85	37,000	3.80
23-Feb-15					876.80	1,040	3.90
30-Mar-15	880.75	7,680	2.18		880.75	8,380	4.00
22-May-15	848.20	5,000	2.15		848.20	5,000	4.15
24-Jul-15	949.80	6,84,850	2.42		949.80	7,85,210	4.32
21-Sep-15	918.65	11,000	2.49		918.65	11,000	4.48
04-Nov-15	911.85	9,690	2.95		911.85	58,580	4.60
12-Jan-16	936.75	1,190	3.79		936.75	2,345	4.79
12-Jan-16	886.75	10,00,000	2.80		886.75	10,00,000	4.79
12-May-16	1,053.75	3,275	4.10		1,053.75	3,275	5.12
11-Jul-16	1,126.70	11,500	3.38		1,126.70	16,890	5.28
23-Aug-16	1,186.75	1,89,500	3.73		1,186.75	1,99,180	5.40
10-Oct-16	1,220.85	17,33,000	3.61		1,220.85	17,83,680	5.53
16-Nov-16	1,093.10	4,540	4.09		1,093.10	6,520	5.64
27-Jan-17	1,265.40	12,550	4.04		1,265.40	16,550	5.83
24-Mar-17	1,383.90	44,330	4.04		1,383.90	47,990	5.99
19-Apr-17	1,431.75	12,010	4.15		1,431.75	14,020	6.06
09-May-17	1,424.85	69,000	4.12		1,424.85	69,000	6.11
19-Jun-17	1,498.90	32,750	4.38		1,498.90	33,420	6.22
11-Jul-17	1,560.35	35,000	4.29		1,560.35	35,000	6.28
12-Oct-17	1,717.25	65,000	4.55		1,717.25	65,000	6.54
11-Jan-18	1,734.10	41,000	4.80		1,734.10	43,000	6.79
27-Mar-18	1,759.75	13,29,220	5.00		1,759.75	14,23,000	6.99
08-May-18	1,889.80	50,975	4.87		1,889.80	64,000	7.11
28-Sep-18	1,682.00	93,500	5.51		1,682.00	1,09,000	7.50
20-Mar-19	1,725.20	67,000	5.98		1,725.20	85,000	7.98
22-May-19	1,447.75	9,94,000	6.16				
10-Oct-19	1,308.65	1,00,536	6.54				
14-Jan-20	1,539.65	3,40,000	6.80				



**Notes to the Consolidated Financial Statements  
for the year ended March 31, 2020**

**IndusInd Bank**

ESOS 2018:

Date of grant	Exercise Price	2019-20	Weighted average life of options (in years)
		Number of shares arising out of options	
04-Jul-19	668.00	28,75,689	4.39
12-Jul-19	1,864.00	21,88,160	6.29

**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:

	2019-20	2018-19
Average dividend yield	0.49 - 0.57%	0.40 - 0.45%
Expected volatility	24.78 - 28.08%	22.51 - 28.30%
Risk-free interest rates	6.11 - 6.93%	6.91 - 8.09%
Expected life of options (in years)	4.82	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, 2020 is Rs. 0.37 crores (Previous year Rs. 0.30 crores). Had the Bank adopted the Black-Scholes model based fair valuation, compensation cost for the year ended March 31, 2020, would have increased by Rs. 73.01 crores (Previous year Rs. 91.80 crores) and the *pro forma* profit after tax would have been lower by Rs. 54.64 crores (Previous year Rs. 59.72 crores). On a *pro forma* basis, the basic and diluted earnings per share would have been as follows:

Particulars	March 31, 2020	March 31, 2019
<i>Pro forma basis</i>		
Basic earnings per share Rs.	63.55	53.89
Diluted earnings per share Rs.	63.31	53.46

The weighted average fair value of options granted during the year 2019-20 is Rs.508.22 (Previous year Rs. 594.84).





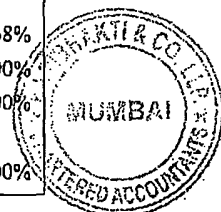
## 10. Disclosures – Accounting Standards

### 10.1 Employee Benefits (AS-15)

#### Gratuity:

Gratuity is a defined benefit plan. The Group 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.

	(Rs. in crores)	
	March 31, 2020	March 31, 2019
<b>Changes in the present value of the obligation</b>		
1. Opening balance of Present Value of Obligation	110.52	89.48
2. Addition on amalgamation	49.35	-
3. Interest Cost	10.13	6.31
4. Current Service Cost	26.85	17.94
5. Benefits Paid	(17.80)	(11.43)
6. Actuarial loss / (gain) on Obligation	15.99	8.22
7. Closing balance of Present Value of Obligation	195.04	110.52
<b>Reconciliation of opening and closing balance of the fair value of the Plan Assets</b>		
1. Opening balance of Fair value of Plan Assets	116.97	93.52
2. Addition on amalgamation	40.10	-
3. Adjustment to Opening Balance	0.79	0.26
4. Expected Return on Plan assets	11.48	7.01
5. Expenses	-	-
6. Contributions	36.03	29.46
7. Benefits Paid	(17.80)	(11.43)
8. Actuarial gain / (loss) on Plan Assets	(2.69)	(1.85)
9. Closing balance of Fair Value of Plan Assets	184.88	116.97
<b>Profit and Loss – Expenses</b>		
1. Current Service Cost	26.85	17.94
2. Interest Cost	10.13	6.31
3. Expected Return on Plan assets	(11.48)	(7.01)
4. Expenses	-	-
5. Net Actuarial loss recognised in the year	18.68	10.07
6. Expenses recognised in the Profit and Loss account	44.18	27.31
<b>Funded status</b>	100% insurance managed funds	100% insurance managed funds
<b>Actuarial Assumptions</b>		
<b>IndusInd Bank Ltd:</b>		
1. Discount Rate	6.84 - 6.90%	7.50 - 7.68%
2. Expected Rate of Return on Plan Assets	6.48 - 8.00%	4.22 - 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%



**Notes to the Consolidated Financial Statements  
for the year ended March 31, 2020**

**IndusInd Bank**

- Past Service above 5 years	0.50%	0.50%
<b>Bharat Financial Inclusion Ltd:</b>		
1. Discount Rate	6.43%	-
2. Expected Rate of Return on Plan Assets	6.43%	-
3. Expected Rate of Salary Increase	12.5% for the first two years and 7% there after	-
4. Employee Attrition Rate	15%	-

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**

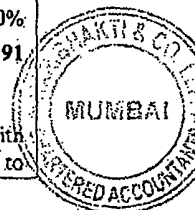
Particulars	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Defined Benefit Obligations	195.04	110.52	89.48	75.31	61.67
Plan Assets	184.88	116.97	93.52	81.53	65.34
Surplus / (Deficit)	(10.16)	6.45	4.04	6.21	3.67
Experience Adjustments on Plan Liabilities	(9.24)	(8.22)	0.92	(4.07)	(7.60)
Experience Adjustments on Plan Assets	(2.69)	(1.85)	(4.32)	1.22	(0.80)

Contributions expected to be paid to the plan during the annual period beginning after the Balance Sheet date is Rs. 50.83 crores (Previous year Rs. 35 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.

(Rs. in crores)		
Assets/ Liabilities	March 31, 2020	March 31, 2019
Present value of Interest Rate guarantee on Provident Fund	7.77	1.75
Present value of Total Obligation	226.51	195.52
Fair value of Plan Assets	227.06	197.08
Net asset / (liability) recognized in the Balance Sheet	0.55	1.56
<b>Assumptions:</b>		
Normal Retirement age	60 years	60 years
Expected guaranteed interest on PF in future	8.65%	8.65%
Discount rate	6.84-7.00%	7.60-7.80%
Expected average remaining working lives of employees (years)	10.22-21.89	11.16-24.91
Benefit on normal retirement	Accumulated account balance with interest rate equal to	Accumulated account balance with interest rate equal to



**Notes to the Consolidated Financial Statements  
for the year ended March 31, 2020**

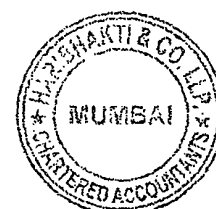
**IndusInd Bank**

	or more than EPFO Rate	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:

	(Rs. in crores)	
	March 31, 2020	March 31, 2019
Total actuarial liability	88.48	65.09
Total expense included in Schedule 16(1)	11.86	17.06
<b>Assumptions:</b>		
<b>IndusInd Bank Ltd:</b>		
Discount Rate	6.84%	7.68%
Salary escalation rate	5.00%	5.00%
<b>Bharat Financial Inclusion Ltd:</b>		
Discount Rate	6.43%	-
Salary escalation rate	12.5% for the first two years and 7% thereafter	-



## Notes to the Consolidated Financial Statements for the year ended March 31, 2020

### 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.

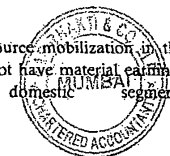
#### Business Segments

(Rs. in crores)										
Business Segment	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
Particulars	31/03/20	31/03/19	31/03/20	31/03/19	31/03/20	31/03/19	31/03/20	31/03/19	31/03/20	31/03/19
Revenue	5,743.24	4,417.55	10,102.82	9,044.90	20,037.03	15,052.34	118.19	69.69	36,003.48	28,584.48
Inter Segment Revenue									267.98	-676.61
Total Income									35,735.50	27,907.87
Result	806.70	743.57	3,359.53	2,720.64	6,913.16	5,019.61	40.37	22.63	11,119.76	8,316.45
Unallocated Expenses									290.94	-228.85
Operating Profit									10,828.82	8,087.60
Provisions and Contingencies (other than tax)									4,652.10	-3,107.65
Tax Expenses									1,718.86	-1,679.47
Extraordinary profit/ loss										-
Net Profit before share of Associate									4,457.86	3,300.48
Add: Share of Profit in Associate									0.32	0.27
Net Profit									4,458.18	3,300.75
Other Information:										
Segment Assets	71,981.25	69,884.49	90,656.85	83,007.71	1,29,284.75	1,14,130.74			2,91,922.85	2,67,022.94
Unallocated Assets									15,305.75	10,797.76
Total Assets									3,07,228.60	2,77,820.70
Segment Liabilities	61,424.48	57,955.99	80,730.65	87,976.08	1,22,615.31	1,08,289.81			2,64,770.44	2,44,221.88
Unallocated Liabilities									42,458.16	33,598.88
Total Liabilities									3,07,228.60	2,77,820.76

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 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 Group does not have material earnings emanating from foreign operations, the Group is considered to operate only in domestic segment.



IndusInd Bank

**Notes to the Consolidated Financial Statements**  
for the year ended March 31, 2020

**IndusInd Bank**

**10.3 Related party transactions (AS-18)**

The following is the information on transactions with related parties:

**Key Management Personnel (KMP)**

Mr. Romesh Sobti, Managing Director (upto March 23, 2020)

Mr. Sumant Kathpalia, Managing Director (w.e.f. March 24, 2020)

**Relatives of KMP**

Mrs. Anita Sobti, Mr. Gaurav Sobti, Ms. Aanchal Sobti Mitra, Mrs. Ira Kathpalia, Mr. Karan Kathpalia

**Associates**

IndusInd Marketing and Financial Services Private Limited

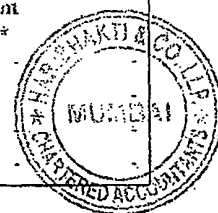
The following represents the significant transactions between the Group and such related parties including relatives of above mentioned KMP during the year ended March 31, 2020:

(Rs. in crores)						
Particulars	Parent (as per ownership control)*	Subsidiaries*	Associates/Joint Venture*	Key Management Personnel	Relatives of Key Management Personnel	Total
Borrowings	-	-	-	-	-	-
Deposits	-	-	-	12.45 (34.68)	10.38 (16.43)	22.83 (45.11)
Placement of deposits	-	-	-	-	-	-
Advances	-	-	-	0.57 (0.57)	-	0.57 (0.57)
Investment	-	-	-	-	-	-
Non-funded commitments	-	-	-	-	-	-
Leasing/HP arrangements availed	-	-	-	-	-	-
Leasing/HP arrangements provided	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Interest paid	-	-	-	0.35	0.01	0.36
Interest received	-	-	-	0.00	-	0.00
Rendering of services	-	-	-	-	-	-
Receiving of services	-	-	-	-	-	-
Management contracts	-	-	-	-	-	-

Figures in bracket represent maximum balance outstanding during the year

The following represents the significant transactions between the Group and such related parties including relatives of above mentioned KMP during the year ended March 31, 2019:

(Rs. in crores)						
Particulars	Parent (as per ownership control)*	Subsidiaries*	Associates/Joint Venture*	Key Management Personnel*	Relatives of Key Management Personnel*	Total
Borrowings	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-
Advances	-	-	-	-	-	-



**Notes to the Consolidated Financial Statements**  
for the year ended March 31, 2020

**IndusInd Bank**

Investment	-	-	-	-	-	-
Non-funded commitments	-	-	-	-	-	-
Leasing/HP arrangements availed	-	-	-	-	-	-
Leasing/HP arrangements provided	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
Interest received	-	-	-	-	-	-
Rendering of services	-	-	-	-	-	-
Receiving of services	-	-	-	-	-	-
Management contracts	-	-	-	-	-	-

\*In accordance with RBI guidelines dated March 29, 2003 "Guidance on compliance with the accounting standards by banks", details pertaining to the related party transactions have not been provided where there is only one related party in each of the above categories.

#### 10.4 Operating Leases (AS 19)

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

	(Rs. in crores)	
	March 31, 2020	March 31, 2019
Future lease rentals payable as at the end of the year:		
- Not later than one year	322.34	316.51
- Later than one year but not later than five years	983.10	1,021.65
- Later than five years	379.31	523.24
Total of minimum lease payments recognized in the Profit and Loss Account for the year	376.61	298.40
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	-	-

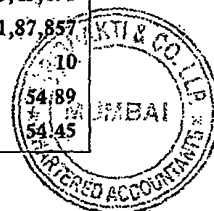
The Group has not sub-let any of the properties taken on lease. There are no provisions relating to contingent rent.

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 Group. Details pertaining to earnings per share as per AS 20 are as under:

	For the Year ended	
	March 31, 2020	March 31, 2019
Net Profit after tax (Rs. in crores)	4,458.18	3,300.75
Basic weighted average number of equity shares	69,29,66,902	60,13,45,091
Diluted weighted average number of equity shares	69,53,42,990	60,61,87,857
Nominal value of Equity Shares (Rs.)	10	10
Basic Earnings per Share (Rs.)	64.33	54.89
Diluted Earnings per Share (Rs.)	64.10	54.45



**Notes to the Consolidated Financial Statements  
for the year ended March 31, 2020**

**IndusInd Bank**

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.

**10.6 Deferred Tax (AS 22)**

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

	(Rs. in crores)	
	March 31, 2020	March 31, 2019
	Deferred Tax Assets	Deferred Tax Liabilities
<b>Timing difference on account of</b>		
Difference between depreciation as per the books of account and depreciation under the Income Tax Act, 1961	-	4.20
Difference between Provisions for doubtful debts and advances and amount allowable under Section 36(1)(viii) of the Income Tax Act, 1961	1,145.77	-
Difference between income as per the books of account and income offered under the Income Tax Act, 1961	-	285.67
Others	94.73	56.08
<b>Sub-total</b>	<b>1,240.50</b>	<b>345.95</b>
<b>Net closing balance carried to the Balance Sheet (included in Sch. 11 – Others)</b>	<b>950.63</b>	<b>671.09</b>

**Provision for taxation during the year**

Particulars	(Rs. in crores)	
	March 31, 2020	March 31, 2019
Current tax	1,998.40	1,972.76
Incremental deferred tax asset net of deferred tax liability	(279.54)	(293.29)
<b>Total (Refer Note 11.1 of Schedule 18)</b>	<b>1,718.86</b>	<b>1,679.47</b>

**11. Additional Disclosures**

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

Particulars	(Rs. in crores)	
	March 31, 2020	March 31, 2019
Depreciation on Investments	474.93	173.47
Provision for non-performing assets including bad debts written off (net of write-backs)	3,635.29	2,719.01
Income Tax / Deferred Tax (Refer Note 10.6 of Schedule 18)	1,718.86	1,679.47
Other Provision and Contingencies (includes floating provision, provision towards standard assets and others)	541.88	215.17
<b>Total</b>	<b>6,370.96</b>	<b>4,787.12</b>



**Notes to the Consolidated Financial Statements  
for the year ended March 31, 2020**

**IndusInd Bank**

**11.2 Proposed Dividend:**

The RBI vide its circular no.DOR.BP.BC.No.64/21.02.067/2019-20 dated April 17, 2020, has directed that banks shall not make any further dividend payouts from profits pertaining to the financial year ended March 31, 2020 until further instructions, with a view that banks must conserve capital in an environment of heightened uncertainty caused by COVID-19. Accordingly, the Board of Directors, in their meeting held on April 27, 2020 have not proposed any dividend for the year ended March 31, 2020.

Dividend for the year ended March 31, 2019 paid during the year pursuant to the approval of the shareholders at the 25<sup>th</sup> Annual General Meeting, at the rate of Rs.7.50 per equity share amounting to Rs.544.93 crores including corporate dividend tax, has been considered as an appropriation from the Profit and Loss Account during the year.

**11.3 Additional information pursuant to Schedule III of the Companies Act, 2013**

Additional information to consolidated accounts at March 31, 2020 (Pursuant to Schedule III of the Companies Act, 2013)

(Rs in crores)

Name of the Entity	Net Assets*				Share in Profit or Loss			
	2019-20		2018-19		2019-20		2018-19	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Profit	Amount	As a % of Consolidated Net Assets	Amount
<b>Parent:</b>								
IndusInd Bank Limited	99.88%	34,706.50	100.00%	26,685.98	99.10%	4,417.91	100.01%	3,301.10
<b>Subsidiary:</b>								
Bharat Financial Inclusion Limited	0.24%	83.04	-0.00%	-0.61	0.90%	39.95	-0.02%	-0.61
<b>Associate:</b>								
IndusInd Marketing and Financial Services Pvt Ltd	-	-	-	-	-0.01%	0.32	0.01%	0.27
Intra-company and Other adjustments	-0.12%	-41.50	0.00%	1.88	-	-	-	-
<b>Total</b>	<b>100.00%</b>	<b>34,748.04</b>	<b>100.00%</b>	<b>26,687.25</b>	<b>100.00%</b>	<b>4,458.18</b>	<b>100.00%</b>	<b>3,300.75</b>

\* Net-assets are total assets minus total liabilities





**Notes to the Consolidated Financial Statements  
for the year ended March 31, 2020**

**IndusInd Bank**

12. The "severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)", generally known as COVID-19, which was declared as a pandemic by the WHO on March 11, 2020, continues to spread across India and there is an unprecedented level of disruption on socio-economic front across the country. Globally, countries and businesses are under lockdown. Considering the severe health hazard associated with COVID-19 pandemic, the Government of India declared a lock down effective from March 25, 2020 which was initially till April 14, 2020 and extended till May 3, 2020. There is a high level of uncertainty about the duration of the lockdown and the time required for things to get normal. The extent to which COVID-19 pandemic will impact the entity's operations and financial results is dependent on the future developments, which are highly uncertain. In this backdrop, during the year ended March 31 2020, a counter cyclical buffer/ floating provision of Rs.260 crores has been made.

13. The information in relation to dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Group, which has been relied upon by the auditors:

(Rs. in crores)

Details of dues to Micro and Small Enterprises as per MSMED Act, 2006	As at 31st March, 2020	As at 31st March, 2019
a) Principal amount due to suppliers under MSMED Act, 2006	0.53	-
b) Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
d) Interest paid to suppliers under MSMED Act (Section 16)	-	-
e) Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	-	-

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.

