

722/20

DON'T  
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**  
You c  
an all  
with ;

FRIDAY



\*ACU45U0Q\*

A6

05/01/2024

#152

COMPANIES HOUSE

Information, please  
contact at  
companieshouse

**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

Completing 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.**Name of organisation  
or body ③

ACCOUNTING STANDARDS BOARD, INDIA

③ Please insert the name of the  
appropriate accounting organisation  
or body.

# OS AA01

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

**A3****Audited accounts**

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

☐ No. Go to **Part 3 'Signature'**.

☒ Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.

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

Name of organisation or body ❶

ACCOUNTING STANDARDS BOARD, INDIA

**Part 3****Signature**

I am signing this form on behalf of the overseas company.

Signature

Signature

**X****X**

This form may be signed by:  
Director, Secretary, Permanent representative.

# OS AA01

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



## 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. CHETAN THAKUR
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 5586



## Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



## Important information

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



## Where to send

You may return this form to any Companies House address:

### England and Wales:

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

### Scotland:

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

### Northern Ireland:

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



## Further information

For further information, please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

**Haribhakti & Co. LLP**  
**Chartered Accountants**  
705, Leela Business Park,  
Andheri Kurla Road  
Andheri (E),  
Mumbai - 400 059

**M.P. Chitale & Co.**  
**Chartered Accountants**  
Hamam House,  
Ambalal Doshi Marg,  
Fort, Mumbai – 400 001

## **INDEPENDENT AUDITORS' REPORT**

**To the Members of IndusInd Bank Limited**

**Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying consolidated financial statements of **IndusInd Bank Limited** (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, 2022, 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 reports of other auditor and one of the joint auditor on separate financial statements and on the other financial information of the associate and subsidiary company respectively, 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, 2022, 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 Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' 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.

#### **Emphasis of Matter**

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

Our opinion is not modified in respect of this matter.

#### **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 Year ended March 31, 2022. 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 impacting financial controls</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 applications are interlinked using	 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 part of our IT controls testing, we have tested ITGC as well as ITAC. The focus of testing of ITGCs was based on the various parameters such as Completeness, Validity, Identification/ Authentication Authorization, Integrity and Accountability. On the other



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 Bank.

The Bank has a process for identifying the applications where the controls are embedded. It also has a process to ensure that systems, processes and controls remain relevant. The Bank'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 Bank's business is highly dependent on technology, the IT environment is complex and the design and operating effectiveness of IT controls have a direct impact on its 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

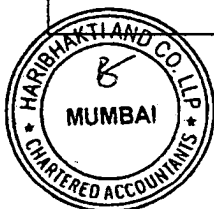
hand, focus of testing automated controls from applications was whether the controls prevent or detect unauthorized transactions and support financial objectives including completeness, accuracy, authorization and validity of transactions.

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

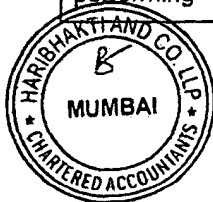
In ITGC testing, on sample basis, we reviewed control areas such as User Management, Change Management, Systems Security, cyber security, interface testing, deployment of new applications, Incident Management, Physical & Environmental Security, Backup and Restoration, Business Continuity and Disaster 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, walkthroughs in live environment, review of documentation/ record/ reports, observation and re-performance. We also tested few



<p>are used for the preparation of financial reports.</p>	<p>controls using negative testing technique. We had taken adequate samples of instances for our tests considering the audit universe.</p> <p>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.</p>
<p><b>Classification, Provisioning and Write off of Advances</b></p> <p><b>(Refer Schedule 5, Schedule 9, note 7 of Schedule 17 to the consolidated financial statements)</b></p> <p>The Bank's portfolio of loans and advances to borrowers (net of provisions) amounts to Rs. 2,39,052 crore as at March 31, 2022.</p> <p>As required under prudential norms on Income Recognition, Asset Classification and provisioning pertaining to advances (IRAC norms) issued by the Reserve Bank of India (RBI), "Resolution framework for Covid-19 related Stress" (the "Resolution Framework") issued by the RBI on August 06, 2020 and May 05, 2021 and relevant other circulars, notifications and directives issued by the RBI which were collectively considered by the Bank till March 31, 2022 classifies advances into performing and non-performing advances (NPA) which</p>	<p>We gained understanding of the processes by carrying out walkthroughs and tested the key controls over borrower risk grading for advances (including larger customer exposures that are monitored individually) for classification of such loans as performing or non-performing. Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Tested on sample basis, the approval of new lending facilities, the annual review/renewal assessments for existing facilities against the Bank's credit policies, and controls over the monitoring of credit quality;</li> <li>• Evaluated the design of internal controls relating to borrower wise classification of loan in the respective asset classes viz., standard, sub-standard, doubtful and loss</li> </ul>



consists of Standard, Sub-standard, Doubtful and Loss and makes appropriate provisions.

The Bank, as per its governing framework, made the performing and non-performing advances provisions based on Management's assessment of the degree of impairment of the advances subject to and guided by minimum provisioning levels prescribed under relevant RBI guidelines.

The Classification, Provisioning and Write off of Advances is a Key Audit Matter as the Bank has significant credit risk exposure to a large number of borrowers across various sectors, products, industries and geographies and there is a high degree of complexity, uncertainty and judgment involved in recoverability of advances, nature of transactions and estimation of provisions thereon and identification of accounts to be written off.

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

Implementation of the RBI circulars also required the Bank to implement changes in its base Information Technology applications.

with reference to their days-past-due (DPD) status (including consideration of non-financial parameters of NPA, restructuring guidelines, and Resolution framework) and provisioning of advances. Tested the operating effectiveness of these internal controls;

- Tested loans on sample basis to form our own assessment as to whether impact of impairment events have been recognised in a timely manner by the Bank;
- Made inquiries of management regarding any effects considered on the NPA identification and / or provisioning, resulting from observations raised by the RBI during their annual inspection of the Bank's operations;
- For the selected non-performing advances, we assessed Management's forecast and inputs of recoverable cash flows, impact of auditor's comments on the financial statements, valuation of underlying security and collaterals, estimation of recoverable amounts on default and other sources of repayment;
- Obtained the Board approved note for advances written off during the year;
- Held specific discussions with the Credit and Risk departments to ascertain how various Early Warning Signal (EWS) and





	<p>potential defaults have been identified and assessed in identification of NPA;</p> <ul style="list-style-type: none"><li>• Performed credit assessments of a sample of corporate and retail loans including larger exposures assessed by Bank showing signs of deterioration, or in areas of emerging risk (assessed against external market conditions). We have reviewed the Bank's risk grading of the loan, their account statement review and 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; and</li><li>• Reviewed Bank's policy including Standard Operating Procedures with respect to implementation of Resolution framework ('guidelines') and tested sample to ascertain the implementation of those guidelines by the Bank.</li></ul> <p><b>Provisions for advances:</b></p> <ul style="list-style-type: none"><li>• Tested the Bank's processes for making provision on advances for compliance with RBI regulations and internally laid down policies for provisioning;</li><li>• We had taken the walkthrough for automation of NPA process deployed through CRISMAC in the current financial</li></ul>
--	---



year and tested the core functionality for selected sample considering the audit universe. Tested the completeness and accuracy of data transferred from underlying source systems used for computing collective provision;

- Considered board approved policy and internal laid down policy for higher provision for advances covered under Resolution Framework, stressed sectors, adopted by the Bank;
- Validated the parameters used to calculate collective provisions with reference to IRAC norms;
- Tested provision created for fraud accounts as at March 31, 2022 as per the RBI circular;
- Re-performed, for a sample of retail and corporate portfolios, the calculation of provisions, to determine the accuracy of the same (Collective for standard portfolio and case specific for non performing portfolio);
- With respect to holding provision as at March 31, 2022 against the potential 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



	<p>assumptions and estimates are a subject matter of periodic review by the Bank;</p> <ul style="list-style-type: none"><li>• We perused the submissions to the Board of Directors for the NPA Provisioning made as at March 31, 2022;</li><li>• With respect to the Resolution Framework, we have ensured that the Bank's Board approved policy was in accordance with RBI circulars. On a test check basis, we ensured that restructuring was approved and implemented, and provision made on such restructured accounts are in accordance with the Bank's board approved policy and the resolution framework; and</li><li>• Assessed the adequacy of disclosures against the RBI Guidelines.</li></ul>
--	---

#### 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, but does not include the standalone financial statements, consolidated financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above 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 matters stated in Section 134(5) of the Act with respect to 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 RBI from time to time ("RBI Guidelines"). 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, Banking Regulations Act, 1949 and the RBI Guidelines 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 and presentation 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 and its associate 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 auditors' 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 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 auditor/ one of the joint statutory auditors, such other auditors/ one of the joint statutory 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 the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' 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. One of the Joint Statutory Auditors has carried out audit of the consolidated financial statements of the Bank for the year ended March 31, 2021 and issued an unmodified opinion vide its report dated April 30, 2021.
- b. The accompanying consolidated financial statements include Group's share of net profit of Rs. 0.40 crores for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. The 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 company, 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 reports of such other auditor.
- c. The audited consolidated financial statements include the audited financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 975.35 crores and net assets of Rs. 370.04 crores as at March 31, 2022, total revenue of Rs. 1,637.21 crores, net profit after tax of Rs. 193.52 crores and net cash inflows of Rs. 24.54 crores for the year ended on that date. These financial statements have been audited by one of the joint statutory auditors 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 these subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such joint statutory auditor.

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 reports of the other auditor and one of the joint statutory auditors.



**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 and one of the joint statutory auditors on separate financial statements and the other financial information of the associate and the subsidiary respectively, as noted in the Other Matters Section above we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor/ one of the joint statutory auditors;
- c. 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;
- d. 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;
- e. On the basis of the written representations received from the directors of the Bank as on March 31, 2022 and 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 subsidiary company and its associate company, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls 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 A";





- g. With respect to the other matter to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended;

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; as amended, 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 3 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 4 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.

- (iv) (a) Based on our audit report on separate financial statements of the Bank and its subsidiary company and associate company, incorporated in India, and consideration of reports of one of the joint statutory auditors and the other auditor on separate financial statements of its subsidiary company and associate company respectively, incorporated in India, whose financial statements have been audited under the Act, the management of the Bank



and the respective management of the aforesaid subsidiary and associate, have represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts of the consolidated financial statements under Note 10.4 (1) of Schedule 18, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group and its associate, to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group and its associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (iv) (b) Based on our audit report on separate financial statements of the Bank and its subsidiary company and associate company, incorporated in India, and consideration of report of one of the joint statutory auditors and the other auditor on separate financial statements of its subsidiary company and associate company respectively, incorporated in India, whose financial statements have been audited under the Act, the management of the Bank and the respective management of the aforesaid subsidiary and associate, have represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts of the consolidated financial statements under Note 10.4 (2) of Schedule 18, no funds have been received by the Group, its associate, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group and its associate, shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (iv) (c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, and consideration of report of one of the joint statutory auditors and the other auditor on separate financial statements of the subsidiary company and associate company respectively, incorporated in India, whose financial statements have been audited under the Act, nothing



has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. As stated in Note 10.2 to the consolidated financial statements:
- a. The final dividend proposed in the previous year, declared and paid by the Bank during the year is in compliance with section 123 of the Act, as applicable.
  - b. The Board of Directors of the Bank have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General meeting. The amount of dividend proposed is in compliance with Section 123 of the Act, as applicable..

Further, based on the audit report of the subsidiary company and associate company, incorporated in India, those entities have not declared nor paid any dividend during the year.

**For Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.103523WW100048

**For M.P. Chitale & Co.**  
Chartered Accountants  
ICAI Firm Registration No.101851W

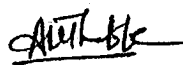


**Purushottam Nyati**

Partner

Membership No. 118970

UDIN: 22118970AICILR6777



**Anagha Thatte**

Partner

Membership No. 105525

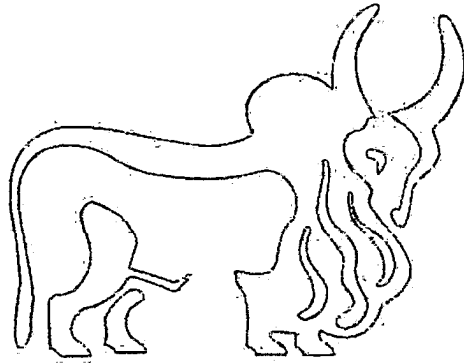
UDIN: 22105525AIJWHQ3257



Place: Mumbai  
Date: April 29, 2022

Place: Mumbai  
Date: April 29, 2022

CONSOLIDATED FINANCIAL STATEMENTS



***IndusInd Bank***

**Balance Sheet as at March 31, 2022  
and  
Profit and Loss Account  
for the year ended March 31, 2022**

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

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

# Consolidated Balance Sheet as at March 31, 2022

	Schedule	Rupees in '000s	
		As at 31.03.2022	As at 31.03.2021
<b>Capital and Liabilities</b>			
Capital	1	774,66,32	773,37,23
Employee Stock Options Outstanding	18(Note 8.2)	16,07,02	5,40,57
Reserves and Surplus	2	47235,65,08	42721,87,29
Minority Interest	2A	-	-
Deposits	3	293349,46,95	255870,10,42
Borrowings	4	47323,22,31	51322,81,18
Other Liabilities and Provisions	5	13268,29,88	12209,73,35
<b>Total</b>		<b>401967,37,56</b>	<b>362903,30,04</b>
<b>Assets</b>			
Cash and Balances with Reserve Bank of India	6	15698,19,33	17957,39,41
Balances with Banks and Money at Call and Short Notice	7	52886,51,45	38652,49,48
Investments	8	70929,89,42	69653,42,43
Advances	9	239051,53,46	212595,40,85
Fixed Assets	10	1928,75,16	1875,74,48
Other Assets	11	21472,48,74	22168,83,39
<b>Total</b>		<b>401967,37,56</b>	<b>362903,30,04</b>
Contingent Liabilities	12	923786,00,03	850074,66,01
Bills for Collection		29654,24,56	23601,73,23
Significant Accounting Policies	17		
Notes to the Financial Statements	18		



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

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

As per our report of even date.

**For Haribhakti & Co. LLP**

*Chartered Accountants*

Firm Registration No: 103523W/WI00048

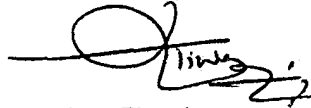
**For IndusInd Bank Limited**



**per Purushottam Nyati**

*Partner*

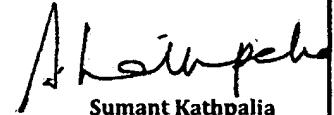
Membership No: 118970



**Arun Tiwari**

*Chairman*

DIN: 05345547



**Sumant Kathpalia**

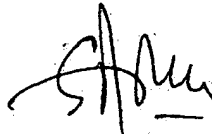
*Managing Director*

DIN: 01054434

**For M.P. Chitale & Co.**

*Chartered Accountants*

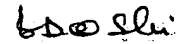
Firm Registration No: 101851W



**Sanjay Asher**

*Director*

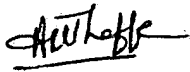
DIN: 00008221



**Bhavna Doshi**

*Director*

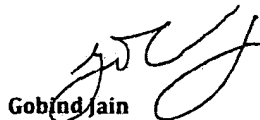
DIN: 00400508



**per Anagha Thatte**

*Partner*

Membership No: 105525



**Gobind Jain**

*Chief Financial Officer*



**Girish Koliyote**

*Company Secretary*

Place : Mumbai

Date : April 29, 2022



# Consolidated Profit and Loss Account for the year ended March 31, 2022

		Rupees in '000s	
	Schedule	For the year ended on 31.03.2022	For the year ended on 31.03.2021
<b>I. Income</b>			
Interest earned	13	30822,44,23	28999,79,67
Other income	14	7407,63,03	6500,87,98
<b>Total</b>		<b>38230,07,26</b>	<b>35500,67,65</b>
<b>II. Expenditure</b>			
Interest expended	15	15821,59,78	15471,90,34
Operating expenses	16	9310,70,57	8156,82,56
Provisions and contingencies	18(Note 10.1)	8293,12,94	8942,07,26
<b>Total</b>		<b>33425,43,29</b>	<b>32570,80,16</b>
<b>III. Profit</b>			
Net Profit for the year		4804,63,97	2929,87,49
Add : Share in profit / (loss) of Associate		39,83	22,12
Profit brought forward		16063,84,91	13525,19,90
<b>Total</b>		<b>20868,88,71</b>	<b>16455,29,51</b>
<b>IV. Appropriations</b>			
a) Transfer to statutory reserve		1152,78,08	709,09,80
b) Transfer to capital reserve		76,80,62	130,01,23
d) Transfer to investment fluctuation reserve account		-	32,78,00
e) Dividend paid		386,99,45	-
f) Deductions (Net) during the year		-	(480,44,43)
		<b>1616,58,15</b>	<b>391,44,60</b>
Balance carried over to the Balance Sheet		<b>19252,30,56</b>	<b>16063,84,91</b>
<b>Total</b>		<b>20868,88,71</b>	<b>16455,29,51</b>
<b>V. Earnings per equity share</b> (Face value of Rs.10/- per share)			
Basic (Rs.)	18(Note 9.4)	62.07	40.03
Diluted (Rs.)	18(Note 9.4)	61.97	39.96
Significant Accounting Policies	17		
Notes to the Financial Statements	18		



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

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

**For Haribhakti & Co. LLP**

*Chartered Accountants*

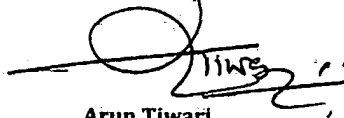
Firm Registration No: 103523W/WI00048

**For IndusInd Bank Limited**



**per Purushottam Nyati**  
*Partner*

Membership No: 118970



**Arun Tiwari**  
*Chairman*  
DIN: 05345547

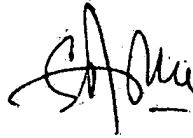


**Sumant Kathpalia**  
*Managing Director*  
DIN: 01054434

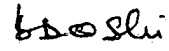
**For M.P. Chitale & Co.**

*Chartered Accountants*

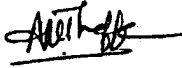
Firm Registration No: 101851W



**Sanjay Asher**  
*Director*  
DIN: 00008221



**Bhavna Doshi**  
*Director*  
DIN: 00400508

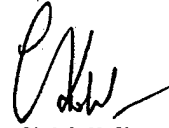


**per Anagha Thatte**  
*Partner*

Membership No: 105525



**Gobind Jain**  
*Chief Financial Officer*



**Girish Koliyote**  
*Company Secretary*

Place : Mumbai

Date : April 29, 2022





# Consolidated Cash Flow Statement for the year ended March 31, 2022

	Rupees in '000s	
	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before taxation	6432,81,97	3929,41,97
Adjustments for :		
Depreciation on Fixed assets	352,02,35	327,64,35
Depreciation on Investments	366,40,17	608,81,07
Employees Stock Option expenses	1231,45	14,15
Loan Loss and Other Provisions	6298,54,78	7333,71,71
Amortisation of premium on HTM investments	375,85,43	239,40,42
(Profit) / Loss on sale of fixed assets	1,13,03	(1,37,87)
Share in current period profit of Associate	39,84	22,12
 Operating Profit before Working Capital changes	 13839,49,02	 12437,97,92
Adjustments for :		
(Increase) in Advances	(32754,67,39)	(13145,96,20)
(Increase) in Investments	(2018,72,58)	(10563,19,84)
(Increase) / Decrease in Other Assets	1255,85,50	246,77,44
Increase in Deposits	37479,36,53	53843,11,36
Increase in Other Liabilities	1058,56,53	2990,14,48
Cash generated from Operations :	18859,87,61	45808,85,16
 Direct Taxes paid (net of refunds)	 (2187,68,85)	 (833,13,44)
 Net Cash generated from Operating Activities	 16672,18,76	 44975,71,72
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets (including WIP)	(414,29,92)	(341,20,04)
Proceeds from sale of Fixed Assets	8,13,84	10,06,64
Net Cash used in Investing Activities	(406,16,08)	(331,13,40)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of equity shares (net of issue expenses)	84,42,85	5334,95,12
Redemption of Long Term Infrastructure Bonds	(500,00,00)	-
Dividends paid	(386,99,45)	-
Redemption of Perpetual Debt instruments	(1000,00,00)	-
Proceeds from Sub-ordinated Tier II capital	2800,00,00	-
Decrease in Borrowings	(5299,58,87)	(9430,73,76)
Net Cash used in Financing Activities	(4302,15,47)	(4095,78,64)
 Effect of foreign currency translation reserve	 10,94,68	 6,98,61
Net Increase in Cash and Cash Equivalents	11974,81,89	40555,78,29
 Cash and Cash Equivalents at the beginning of the year	 56609,88,89	 16054,10,59
Cash and Cash Equivalents at the end of the year	68584,70,78	56609,88,89

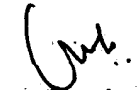


**Notes:**

1. The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements.
  2. Figures in bracket indicate cash outflow.
  3. 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*

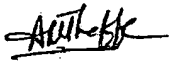
Firm Registration No: 103523W/WI00048



per Purushottam Nyati  
Partner  
Membership No: 118970

**For M.P. Chitale & Co.***Chartered Accountants*

Firm Registration No: 101851W



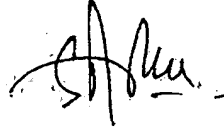
per Anagha Thatte  
Partner  
Membership No: 105525

**For IndusInd Bank Limited**

Arun Tiwari  
Chairman  
DIN: 05345547



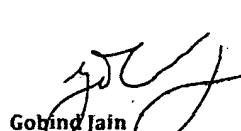
Sumant Kathpalia  
Managing Director  
DIN: 01054434



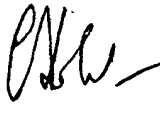
Sanjay Asher  
Director  
DIN: 00008221



Bhavna Doshi  
Director  
DIN: 00400508



Gobind Jain  
Chief Financial Officer



Girish Koliyote  
Company Secretary

Place : Mumbai

Date : April 29, 2022



Schedules		
	Rupees in '000s	
	As at 31.03.2022	As at 31.03.2021
<b>Schedule - 1 Capital</b>		
<b>Authorised Capital</b>		
1,00,00,00,000 (Previous year 85,70,00,000) equity shares of Rs. 10 each	1000,00,00	857,00,00
<b>Issued, Subscribed and Called Up Capital</b>		
77,46,63,163 (Previous year 77,33,72,299) equity shares of Rs. 10 each	774,66,32	773,37,23
<b>Paid up Capital</b>		
77,46,63,163 (Previous year 77,33,72,299) equity shares of Rs. 10 each [Refer Schedule 18(Note 1)]	774,66,32	773,37,23
<b>Total</b>	<b>774,66,32</b>	<b>773,37,23</b>
<b>Schedule - 2 Reserves and Surplus</b>		
<b>I Statutory Reserve</b>		
Opening balance	6987,31,95	6278,22,15
Additions during the year	1152,78,08	709,09,80
	<b>8140,10,03</b>	<b>6987,31,95</b>
<b>II Share Premium Account</b>		
Opening balance	18359,23,70	12426,09,31
Additions during the year [Refer Schedule 18(Note 1)]	84,78,76	5961,96,00
Less: Share issue expenses	-	(28,81,61)
	<b>18444,02,46</b>	<b>18359,23,70</b>
<b>III Revaluation Reserve</b>		
Opening balance	313,60,62	319,57,89
Transfer to General Reserve	(5,97,27)	(5,97,27)
	<b>307,63,35</b>	<b>313,60,62</b>
<b>IV Foreign Currency Translation Reserve</b>		
Opening balance	24,20,51	17,21,90
Additions during the year	10,94,68	6,98,61
	<b>35,15,19</b>	<b>24,20,51</b>
<b>V Revenue &amp; Other Reserve</b>		
<b>(a) General Reserve</b>		
Opening balance	14,30,11	8,32,84
Transfer from Revaluation Reserve	5,97,27	5,97,27
	<b>20,27,38</b>	<b>14,30,11</b>
<b>(b) Capital Reserve</b>		
Opening balance	557,04,15	427,02,92
Additions during the year	76,80,62	130,01,23
	<b>633,84,77</b>	<b>557,04,15</b>
<b>(c) Capital Reserve on Consolidation</b>		
Opening balance	35	35
Additions during the year	-	-
	<b>35</b>	<b>35</b>



<b>(d) Investment Fluctuation Reserve</b>		
Opening balance	351,68,08	318,90,08
Additions during the year	-	32,78,00
	<b>351,68,08</b>	<b>351,68,08</b>
<b>(e) Amalgamation Reserve</b>		
Opening balance	50,62,91	50,62,91
Additions on Amalgamation	-	-
	<b>50,62,91</b>	<b>50,62,91</b>
<b>Total Revenue &amp; Other Reserve</b>	<b>1056,43,49</b>	<b>973,65,60</b>
<b>VI Balance in the Profit and Loss Account</b>	<b>19252,30,56</b>	<b>16063,84,91</b>
<b>Total</b>	<b>47235,65,08</b>	<b>42721,87,29</b>
<b>Schedule - 2A Minority Interest</b>		
Minority interest at the date on which the parent-subsidiary relationship came into existence	-	-
Subsequent increase/ decrease	-	-
Minority interest on the date of balance sheet	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



Schedules		
	Rupees in '000s	
	As at 31.03.2022	As at 31.03.2021
<b>Schedule - 1 Capital</b>		
<b>Authorised Capital</b>		
1,00,00,00,000 (Previous year 85,70,00,000) equity shares of Rs. 10 each	1000,00,00	857,00,00
<b>Issued, Subscribed and Called Up Capital</b>		
77,46,63,163 (Previous year 77,33,72,299) equity shares of Rs. 10 each	774,66,32	773,37,23
<b>Paid up Capital</b>		
77,46,63,163 (Previous year 77,33,72,299) equity shares of Rs. 10 each [Refer Schedule 18(Note 1)]	774,66,32	773,37,23
<b>Total</b>	<b>774,66,32</b>	<b>773,37,23</b>
<b>Schedule - 2 Reserves and Surplus</b>		
<b>I Statutory Reserve</b>		
Opening balance	6987,31,95	6278,22,15
Additions during the year	1152,78,08	709,09,80
	<b>8140,10,03</b>	<b>6987,31,95</b>
<b>II Share Premium Account</b>		
Opening balance	18359,23,70	12426,09,31
Additions during the year [Refer Schedule 18(Note 1)]	84,78,76	5961,96,00
Less: Share issue expenses	-	(28,81,61)
	<b>18444,02,46</b>	<b>18359,23,70</b>
<b>III Revaluation Reserve</b>		
Opening balance	313,60,62	319,57,89
Transfer to General Reserve	(5,97,27)	(5,97,27)
	<b>307,63,35</b>	<b>313,60,62</b>
<b>IV Foreign Currency Translation Reserve</b>		
Opening balance	24,20,51	17,21,90
Additions during the year	10,94,68	6,98,61
	<b>35,15,19</b>	<b>24,20,51</b>
<b>V Revenue &amp; Other Reserve</b>		
<b>(a) General Reserve</b>		
Opening balance	14,30,11	8,32,84
Transfer from Revaluation Reserve	5,97,27	5,97,27
	<b>20,27,38</b>	<b>14,30,11</b>
<b>(b) Capital Reserve</b>		
Opening balance	557,04,15	427,02,92
Additions during the year	76,80,62	130,01,23
	<b>633,84,77</b>	<b>557,04,15</b>
<b>(c) Capital Reserve on Consolidation</b>		
Opening balance	35	35
Additions during the year	-	-
	<b>35</b>	<b>35</b>

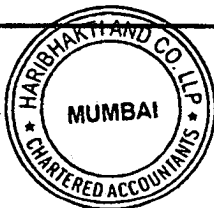


## Schedules

	Rupees in '000s	
	As at 31.03.2022	As at 31.03.2021
<b>Schedule - 3 Deposits</b>		
<b>A I Demand Deposits</b>		
i) From banks	638,76,01	731,73,60
ii) From others	35868,30,79	34993,55,05
<b>II Savings Bank Deposits</b>	88825,56,41	71065,44,78
<b>III Term Deposits</b>		
i) From banks	9341,01,50	20800,06,20
ii) From others	158675,82,24	128279,30,79
<b>Total</b>	<b>293349,46,95</b>	<b>255870,10,42</b>
<b>B Deposits of Branches</b>		
I In India	291140,52,47	252037,15,81
II Outside India	2208,94,48	3832,94,61
<b>Total</b>	<b>293349,46,95</b>	<b>255870,10,42</b>
<b>Schedule - 4 Borrowings</b>		
<b>I Borrowings in India</b>		
i) Reserve Bank of India	-	-
ii) Other banks	-	24,13,40
iii) Other institutions and agencies	24650,22,00	34576,95,00
iv) Borrowing in form of bonds and debentures (excluding subordinated Debt)	1500,00,00	2000,00,00
v) Capital Instruments		
a) Unsecured non-convertible perpetual non-cumulative bonds (Subordinated additional tier 1 capital)	2489,90,00	3489,90,00
b) Unsecured non-convertible redeemable debentures/bonds (Subordinated debt tier 2 bond)	2800,00,00	-
<b>II Borrowings outside India</b>	15883,10,31	11231,82,78
<b>Total</b>	<b>47323,22,31</b>	<b>51322,81,18</b>
Secured borrowings, other than Market repo borrowings, including tri-party repo, and borrowings from RBI under Liquidity Adjustment Facility/ Marginal Standing Facility		
	-	-
<b>Schedule - 5 Other Liabilities and Provisions</b>		
<b>I Bills payable</b>	844,24,47	661,78,55
<b>II Inter-office adjustments (net)</b>	-	204,09,80
<b>III Interest accrued</b>	1311,01,90	1450,81,18
<b>IV Others</b>	11113,03,51	9893,03,82
<b>Total</b>	<b>13268,29,88</b>	<b>12209,73,35</b>
<b>Schedule - 6 Cash and Balances with Reserve Bank of India</b>		
<b>I Cash in hand (including foreign currency notes)</b>	1326,71,30	1435,00,73
<b>II Balances with Reserve Bank of India</b>		
i) In Current Account	14371,48,03	16522,38,68
ii) In Other Accounts	-	-
<b>Total</b>	<b>15698,19,33</b>	<b>17957,39,41</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	481,00,85	552,83,83
b) In Other Deposit Accounts	44500,25,73	20104,47,02
ii) Money at Call and Short Notice		
a) with banks	-	1900,00,00
b) with other institutions	-	9395,63,67
<b>Total</b>	<b>44981,26,58</b>	<b>31952,94,52</b>
<b>II Outside India</b>		
i) In Current Accounts	3736,66,12	3226,82,46
ii) In Other Deposit Accounts	3221,18,12	-
iii) Money at call and short notice	947,40,63	3472,72,50
<b>Total</b>	<b>7905,24,87</b>	<b>6699,54,96</b>
<b>Grand Total</b>	<b>52886,51,45</b>	<b>38652,49,48</b>



Schedules		
	Rupees in '000s	
	As at 31.03.2022	As at 31.03.2021
<b>Schedule - 8 Investments</b>		
<b>I In India</b>		
i) Government Securities*	66683,97,74	64896,33,63
ii) Other approved securities	-	-
iii) Shares	846,62,78	831,22,45
iv) Debentures and Bonds	255,31,52	419,07,66
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	2875,99,45	3138,82,82
vii) Associate <sup>(1)</sup>	2,82,35	2,42,51
<b>II Outside India</b>		
i) Government securities	265,15,58	365,53,36
<b>Total</b>	<b>70929,89,42</b>	<b>69653,42,43</b>
<b>III Investment in India</b>		
i) Gross value of investments	71735,46,91	70056,12,98
ii) Aggregate of provision for depreciation	1070,73,07	768,23,91
iii) Net investments (i-ii)	70664,73,84	69287,89,07
<b>IV Investment outside India</b>		
i) Gross value of investments	265,15,58	365,53,36
ii) Aggregate of provision for depreciation	-	-
iii) Net investments (i-ii)	265,15,58	365,53,36
* Includes securities of Rs. 2,779.03 crores (previous year Rs. 2,076.90 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
Equity Investment in Associate	65	65
Add : Post-acquisition profit / (loss) of Associate (Equity method)	2,81,70	2,41,86
Less : Share of Unrealised Profit in Associate	-	-
<b>Total</b>	<b>2,82,35</b>	<b>2,42,51</b>
<b>Schedule - 9 Advances</b>		
<b>A i) Bills purchased and discounted</b>	<b>10127,87,39</b>	<b>3474,04,95</b>
ii) Cash credits, overdrafts and loans repayable on demand	62999,84,76	49560,38,82
iii) Term loans	165923,81,31	159560,97,08
<b>Total</b>	<b>239051,53,46</b>	<b>212595,40,85</b>
<b>B i) Secured by tangible assets (includes advances against book debts)</b>	<b>156340,14,47</b>	<b>157006,09,32</b>
ii) Covered by Bank/ Government Guarantees (including advances against L/Cs issued by Banks)	6374,78,35	5889,20,64
iii) Unsecured	76336,60,64	49700,10,89
<b>Total</b>	<b>239051,53,46</b>	<b>212595,40,85</b>



<b>C. I</b>	<b>Advances in India</b>		
i)	Priority Sector	90375,92,97	80358,25,90
ii)	Public Sector	8946,12,63	4089,44,74
iii)	Banks	251,92,45	-
iv)	Others	132238,55,00	121567,35,62
	<b>Total Advances in India</b>	<b>231812,53,05</b>	<b>206015,06,26</b>
<b>II</b>	<b>Advances Outside India</b>		
i)	Due from banks	265,16,84	185,93,70
ii)	Due from others	6973,83,57	6394,40,89
	(a) Bills purchased and discounted	1408,44,37	991,20,69
	(b) Syndicated loans	-	-
	(c) Others	5565,39,20	5403,20,20
	<b>Total Advances Outside India</b>	<b>7239,00,41</b>	<b>6580,34,59</b>
	<b>Total</b>	<b>239051,53,46</b>	<b>212595,40,85</b>
<b>Schedule - 10 Fixed Assets</b>			
<b>I</b>	<b>Premises</b>		
i)	At cost as on 31st March of the preceding year	869,98,25	874,15,74
ii)	Additions during the year	-	-
		869,98,25	874,15,74
iii)	Less : Deductions during the year	-	4,17,49
iv)	Less : Depreciation to date [Refer Schedule 18(Note 2.3)]	131,27,51	117,92,57
	<b>Total</b>	<b>738,70,74</b>	<b>752,05,68</b>
<b>II</b>	<b>Other Fixed Assets (Including furniture and fixtures)</b>		
i)	At cost as on 31st March of the preceding year	2908,47,13	2602,58,04
ii)	Additions during the year	395,00,36	344,79,23
		3303,47,49	2947,37,27
iii)	Less : Deductions during the year	61,02,08	38,90,13
iv)	Less : Depreciation to date [Refer Schedule 18(Note 2.3)]	2146,93,54	1860,01,33
	<b>Total</b>	<b>1095,51,87</b>	<b>1048,45,81</b>
<b>III</b>	<b>Capital Work in Progress (Net of provision)</b>	<b>94,52,55</b>	<b>75,22,99</b>
	<b>Grand Total</b>	<b>1928,75,16</b>	<b>1875,74,48</b>





## Schedules

Rupees in '000s

As at 31.03.2022

As at 31.03.2021

### Schedule - 11 Other Assets

I Interest accrued	2016,58,78	2013,61,25
II Tax paid in advance / tax deducted at source	1264,29,26	873,84,50
III Stationery and stamps	49,26	49,90
IV Non-banking assets acquired in satisfaction of claims	63,96,57	414,10,07
V Others [Refer Schedule 18(Note 9.5)]	18127,14,87	18866,77,67
<b>Total</b>	<b>21472,48,74</b>	<b>22168,83,39</b>

### Schedule - 12 Contingent Liabilities

I Claims against the Bank not acknowledged as debts	733,37,97	482,35,63
II Liability on account of outstanding forward exchange contracts	411634,15,77	381550,05,58
III Liability on account of outstanding derivative contracts	427189,17,47	382279,24,19
IV Guarantees given on behalf of constituents		
- In India	61109,94,48	60033,47,72
- Outside India	308,09,65	843,94,00
V Acceptances, endorsements and other obligations	22714,03,91	24813,08,82
VI Other Items for which the bank is contingently liable	97,20,78	72,50,07
<b>Total</b>	<b>923786,00,03</b>	<b>850074,66,01</b>

Year ended on  
31.03.2022

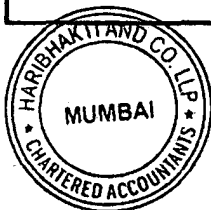
Year ended on  
31.03.2021

### Schedule - 13 Interest Earned

I Interest/ discount on advances/ bills	25143,43,83	24085,34,77
II Income on investments	4052,87,81	3846,10,76
III Interest on balances with Reserve Bank of India and other inter-bank funds	1288,36,19	677,36,84
IV Others	337,76,40	390,97,30
<b>Total</b>	<b>30822,44,23</b>	<b>28999,79,67</b>

### Schedule - 14 Other Income

I Commission, exchange and brokerage	4509,28,60	3478,14,50
II Profit on sale of investments (net)	593,15,87	1486,19,35
III Profit / (Loss) on sale of land, buildings and other assets (net)	(1,13,03)	1,37,87
IV Profit on exchange transactions / derivatives (net)	1730,84,39	1321,20,39
V Miscellaneous Income	575,47,20	213,95,87
<b>Total</b>	<b>7407,63,03</b>	<b>6500,87,98</b>



## Schedule 17 Significant accounting policies

### Background

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 engaged in providing 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 Centre in India (IFSC), at GIFT City, and does not have a branch in any foreign country.

### 1. Principles of Consolidation

- 1.1 The consolidated financial statements 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 'Group').
- 1.2 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.
- 1.3 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.
- 1.4 The consolidated financial statements present the accounts of the Bank with its Subsidiary as under:

Name of the Subsidiary	Country of Origin	% Shareholding of Group as at March 31, 2022	% Shareholding of Group as at March 31, 2021
Bharat Financial Inclusion Limited (formerly known as IndusInd Financial Inclusion Limited)	India	100%	100%

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

Name of the Associate	Country of Origin	% Shareholding of Group as at March 31, 2022	% Shareholding of Group as at March 31, 2021
IndusInd Marketing & Financial Services Private Limited	India	30%	30%



## **2. Basis of preparation**

- 2.1 The accompanying consolidated financial statements have been prepared and presented 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) read together with the Companies (Accounting Standards) Amendment Rules, 2006 (as amended from time to time) and other relevant provisions of the Act in so far as they apply to the Bank and practices prevailing within the banking industry in India.

## **3. Use of Estimates**

- 3.1 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 (including contingent liabilities) at the date of the financial statements, revenues and expenses during the reporting period. 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.

## **4. Transactions involving Foreign Exchange**

- 4.1 Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- 4.2 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.
- 4.3 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 all 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.

### **IndusInd Bank Limited:**

- 4.4 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 at which time they are recognised in Profit and Loss Account as gains or losses.
- 4.5 All foreign exchange forward 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.
- 4.6 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 life of swap contracts.



- 4.7 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.
- 4.8 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:**

- 4.9 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.

**5. Investments**

**IndusInd Bank Limited:**

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

**5.1 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. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are transferred to AFS category.
- (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.

**5.2 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.

**5.3 Acquisition cost**

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

**5.4 Valuation of Investments**

- (i) **Held to Maturity** – Each security in this category is carried at its acquisition cost or amortised cost. Any premium on acquisition of the security is amortised over the balance period to maturity. The premium amortization is recognized in Profit and Loss Account under Interest earned – Income on investments (Item II of Schedule 13). The book value of the security is reduced to the extent of premium amortized. Diminution, other than temporary, is determined and provided for each investment individually.
- (ii) **Held for Trading** – Securities are valued scripwise and depreciation / appreciation is aggregated for each classification. The book value of the individual securities is not changed as a result of periodic valuations. 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. The book value of the individual securities is not changed as a result of periodic valuations. 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, commercial papers and certificate of deposits are valued at carrying cost, which includes discount accreted 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 continuously for more than 18 months as on the date of valuation.
- (viii) Units of the schemes of mutual funds are valued at latest 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 under 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) Investment in subsidiaries and associate companies are classified as part of HTM category and valued at cost. Such investments are assessed for impairment and any other than temporary diminution in value is provided for.
- (xi) 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.
- (xii) 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.
- (xiii) Provision for non-performing investments is made in conformity with RBI guidelines.
- (xiv) 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. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income.
- (xv) 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 'Investments'. The short position is categorized under the HFT portfolio and is accounted for accordingly.
- (xvi) Profit or loss in respect of sale of investments is included in the Schedule 14 under Profit on Sale of Investments(net). In respect of profit from sale of investments under HTM category, 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.
- (xvii) 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.

- (xviii) 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 or (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.
- 5.5 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.
- 5.6 In accordance with RBI Circular on Transfer of Loans dated September 24, 2021, the SRs backed by its transferred loans and issued under that securitisation, the valuation of such SRs by the transferor will be additionally subject to a floor of face value of the SRs reduced by the provisioning rate as applicable to the underlying loans, had the loans continued in the books of the transferor

## 6. Derivatives

### **IndusInd Bank Limited:**

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

- 6.1 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. Gains or losses on the termination of hedge swaps is accounted in accordance with RBI guidelines.
- 6.2 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.
- 6.3 Premium paid and received on currency options is accounted when due in the Profit and Loss Account.



- 6.4 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.
- 6.5 Provisioning of overdue customer receivable on derivative contracts is made as per RBI guidelines.

## **7. Advances**

### **IndusInd Bank Limited:**

- 7.1 Advances are classified as per RBI guidelines into standard, sub-standard, doubtful and loss assets after considering subsequent recoveries to date.
- 7.2 A general provision on standard assets is made in accordance with RBI guidelines for the funded outstanding on global portfolio basis. 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 - Others'.
- 7.3 Unhedged Foreign Currency Exposures (UFCE) of Clients are subject to incremental provisions basis assessment of estimated risk in line with RBI guidelines. Provision made towards UFCE and consequent further capital held under Basel III Capital regulations are disclosed separately. The provision forms a part of provision on standard assets.
- 7.4 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, and other related factors including underlying securities.
- 7.5 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 computed as the fair value of loans before and after restructuring. The restructured accounts are classified in accordance with RBI guidelines.
- 7.6 Advances are disclosed in the Balance Sheet, net of specific provisions and interest suspended for non performing advances, and floating provisions.
- 7.7 Advances exclude derecognised securitised advances, inter-bank participation certificates issued and bills rediscounted.
- 7.8 Amounts recovered during the year against bad debts written off in earlier years are recognised in the Profit and Loss account. Provision no longer considered necessary in the context of the current status of the borrower as a performing asset, are written back to the Profit and Loss account to the extent such provisions were charged to the Profit and Loss account.
- 7.9 Further to the provisions held according to the asset classification status, provision is held in accordance with RBI guidelines for individual country exposures (other than for home country exposure), where the net funded exposure of a country is one percent or more of the total assets. Provision held for country risk is included under 'Other Liabilities and Provisions'.



- 7.10 The Bank makes floating provision as per the Board approved policy, which is in addition to the specific and general provisions made by the Bank. The floating provision is utilised, with the approval of Board and RBI, if required. The floating provision is netted-off from advances

## **8. Securitisation transactions, direct assignments and other transfers**

### **IndusInd Bank Limited:**

- 8.1 The Bank transfers its loan receivables both through Direct Assignment route as well as transfer to Special Purpose Vehicles ("SPV").
- 8.2 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 in accordance with relevant RBI guidelines.
- 8.3 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.
- 8.4 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 on realisation; 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.
- 8.5 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.

## **9. Property, Plant and Equipment**

- 9.1 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.
- 9.2 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.





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.

Fixed assets costing less than Rs. 5,000 individually are fully depreciated in the year of purchase.

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.

- 9.3 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.

**IndusInd Bank Limited:**

*Non-banking assets:*

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.

**10. Revenue Recognition**

**IndusInd Bank Limited:**

- 10.1 Interest and discount income on performing assets is recognised on accrual basis. Interest and discount income on non-performing assets is recognised on realisation.
- 10.2 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.
- 10.3 Dividend income is accounted on accrual basis when the right to receive dividend is established.



10.4 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.

10.5 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.

10.6 Income from distribution of third party products is recognised on the basis of business booked.

10.7 The Bank in accordance with RBI circular FIDP.CO.Plan.BC.5/04.09.01/2020-21 dated September 04, 2020, 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'.

10.8 Gain / loss on sell down of loans is recognised in line with the extant RBI guidelines.

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

10.9 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.

## **11. Operating Leases**

11.1 Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. 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.

11.2 Assets given under leases in respect of which all the risks and benefits of ownership are effectively retained by the Bank are classified as operating leases. Lease rentals received under operating leases are recognized in the Profit and Loss account as per the terms of the contracts.

## **12. Employee Benefits**

### **IndusInd Bank Limited:**

12.1 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.

12.2 Provident Fund contribution, under defined benefit plan is made to trusts separately established for the purpose, when an employee covered under the scheme renders the related service. 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 contribution, under defined contribution plan, is made to the scheme administered by Regional Provident Fund Commissioner (RPFC) and 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.

- 12.3 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.
- 12.4 The Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after March 31, 2021 in accordance with RBI guidelines. Accordingly, fair value of share-linked instruments on the date of grant are recognised as an expense for all instruments granted after the accounting period ending March 31, 2021. The fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes option pricing model and is recognised as compensation expense over the vesting period

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

- 12.5 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.
- 12.6 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.
- 12.7 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.
- 12.8 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.
- 12.9 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.



### 13. Segment Reporting

**IndusInd Bank Limited:**

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 BFIL.
- (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.

### 14. Debit and Credit Card reward points liability

**IndusInd Bank Limited:**

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.

### 15. Bullion

**IndusInd Bank Limited:**

- 15.1 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.
- 15.2 The Bank sells gold coins to its customers. The difference between the sale price to customers and purchase price is reflected under commission income.

### 16. Income-tax

- 16.1 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 timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- 16.2 Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.



- 16.3 Deferred tax assets are recognized, 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.
- 16.4 In case of 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.
- 16.5 Deferred tax assets unrecognized 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. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

**17. Earnings per share**

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.

**18. Provisions, contingent liabilities and contingent assets**

- 18.1 A provision is recognized when there is a present 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.
- 18.2 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.
- 18.3 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.
- 18.4 Contingent assets are not recognized or disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the assets and related income are recognized in the period in which the change occurs.

**19. Cash and Cash equivalents**

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

**20. Corporate Social Responsibility**

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



## 21. Grants

### **Bharat Financial Inclusion Ltd:**

- 21.1 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.



\*\*\*\*\*



**Schedule 18 Notes forming part of the Consolidated Financial Statements**

**1. Capital**

**Capital Issue**

During the year, 12,90,864 equity shares of Rs.10 each fully paid (Previous year 13,18,331 equity shares of Rs.10 each fully paid) were allotted on various dates to the employees who exercised their stock options, and consequently, the share capital of the Bank increased by Rs.1.29 crores (Previous year Rs.1.32 crores) and share premium by Rs.84.79 crores (Previous year Rs.57.26 crores).

In the previous year, under a Preferential Allotment, 4,76,29,768 equity shares of Rs. 10 each fully paid were allotted on September 2, 2020, to certain Qualified Institutional Buyers and 1,51,17,477 equity shares of Rs.10 each fully paid were allotted on September 4, 2020, to other entities including one of the promoters, at a price of Rs. 524 per equity share, pursuant to the approval of the Finance Committee on the respective dates, in compliance with the resolution carried in the Extraordinary General Meeting held on August 25, 2020, and the applicable laws and regulations. Consequently, the equity share capital of the Bank increased by Rs.62.75 crores and share premium account by Rs. 3,196.39 crores, net of share issue expenses.

On February 18, 2021, pursuant to approval of the Finance Committee, the Bank allotted 1,57,70,985 equity shares of Rs.10 each fully paid by converting these share warrants at a price of Rs. 1,709 per equity share, upon the promoters exercising the conversion option by remitting the remaining 75% of the Share Warrant Price amounting to Rs. 2,021.45 crores. Consequently, the share capital of the Bank increased by Rs.15.77 crores and share premium by Rs. 2,679.49 crores.

**2. Fixed Assets**

- 2.1** 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 Bank has not obtained full possession of one property having written down value of Rs. 1.37 crores (Previous year Rs. 1.40 crores) and has filed a suit for the same.

**2.2 Computer software**

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

Particulars	(Rs. in crores)	
	March 31, 2022	March 31, 2021
At cost at the beginning of the year	687.69	585.73
Addition during the year	91.04	102.02
Deduction during the year	2.86	0.06
Accumulated depreciation as at the end of the year	569.33	487.77
Closing balance as at the end of the year	206.54	199.92
Depreciation charge for the year	81.83	80.38



**2.3 Movement in depreciation of Fixed Assets**

	(Rs. in crores)	
Depreciation	2021-22	2020-21
<b>Premises</b>		
At the beginning of the year	117.93	104.58
Charge for the year	13.35	13.35
Deduction during the year	-	-
Depreciation to date	131.28	117.93
<b>Other Fixed Assets</b>		
At the beginning of the year	1860.01	1,580.12
Addition in the Scheme of Amalgamation	-	-
Charge for the year	338.67	314.29
Deduction during the year	51.75	34.40
Depreciation to date	2146.94	1,860.01

**3. Contingent Liabilities**

The Group's pending litigations include claims against the Bank by clients and counterparties and proceedings pending with tax authorities. The Bank has reviewed its pending litigations and proceedings and has adequately made, provisions wherever required and disclosed as contingent liabilities wherever applicable. Claims against the Bank not acknowledged as debts comprise of tax demands of Rs. 334.05 crores (Previous year Rs. 107.32 crores) in respect of which the Bank is in appeal, and legal cases sub judice of Rs. 399.34 crores (Previous year Rs. 375.04 crores). The Bank carries a provision of Rs. 7.41 crores (Previous year Rs. 4.86 crores) against legal 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, Telangana. 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 – Rs. 6.25 crores, net of provision of Rs. 3.12 crores).

4. 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.





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

In accordance with the provisions of the Companies Act, 2013, during the year, the Group was required to spend on CSR activities an amount of Rs. 109.10 crores (Previous year Rs. 120.74 crores).

The amount incurred towards CSR activities during the year and recognised in the statement of profit and loss amounted to Rs. 110.38 crores (Previous year Rs. 121.23 crores), comprising the following:

	Year ended March 31, 2022			Year ended March 31, 2021		
	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	108.69	1.69	110.38	94.72	26.51	121.23
<b>Total</b>	<b>108.69</b>	<b>1.69</b>	<b>110.38</b>	<b>94.72</b>	<b>26.51</b>	<b>121.23</b>

Part 7 (sub part 3) of section 135 of the Companies Act 2013 states that:

Where a Company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 upto immediate succeeding three financial years subject to the conditions that –

- The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
- The Board of the Company shall pass a resolution to that effect

Financial Year	In case of S. 135(5) unspent amount				
	Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
FY 2021-22	Rs.26.51 crores	Rs.26.51 crores	Rs.26.51 crores	Rs.23.12 crores	Rs.3.39 crores

**6. Drawdown from Reserves**

During the year ended March 31, 2022 and year ended March 31, 2021, the Group did not draw down from the reserves.

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



## 8. Employee Stock Option Scheme

**8.1** On September 25, 2020, the shareholders of the Bank approved the IndusInd Bank Employee Stock Option Scheme 2020 (ESOS 2020), which comprehensively replaced the erstwhile Employee Stock Option Scheme 2007 (ESOS 2007) that was approved by the shareholders earlier on September 18, 2007. ESOS 2020 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 paid up equity shares of the Bank, in line with the guidelines issued by the SEBI. The options vest at one time or at various points of time as stipulated in the Award Confirmation issued by the Compensation Committee, and there shall be a minimum period of one year between the grant of option and vesting of the option. The unvested options shall expire by such period as stipulated in the Award Confirmation or five years from the grant of options whichever is earlier, or such further or other period as the Compensation Committee may determine. The exercise price for each grant is decided by the Compensation Committee, which is normally based on the latest available closing price and shall not be lower than the face value of the shares. Upon vesting, the options have to be exercised within a maximum period of five years or such period as may be determined by the Compensation Committee from time to time. The stock options are equity settled where the employees will receive one equity share per stock option.

Pursuant to a Composite Scheme of Arrangement with the erstwhile Bharat Financial Inclusion Limited, the shareholders of the Bank approved the IBL Special Incentive ESOS for BFIL Merger 2018 (ESOS 2018) on December 11, 2018. ESOS 2018 was approved with a pool of 57,50,000 options which are equity settled. 50% of the options vest over a period of three years from the grant date and the remaining options vest over a period of three years from the first anniversary of the grant date. Upon vesting, the options have to be exercised within a maximum period of five years.

ESOS 2020 and ESOS 2018 are, hereinafter, collectively referred to as ESOS.

As at March 31, 2022, the Compensation Committee of the Bank has granted a total of 5,19,25,433 options that includes 4,66,37,627 options granted under ESOS 2020 and 52,87,806 options granted under ESOS 2018, as set out below:

### ESOS 2020:

Sr. No	Date of grant	No of options	2021-2022	No of options	2020-2021
			Range of exercise price (Rs.)		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



**Notes to the Consolidated Financial Statements**  
for the year ended March 31, 2022

**IndusInd Bank**

Sr. No	Date of grant	No of options	2021-2022	No of options	2020-2021
			Range of exercise price (Rs.)		Range of exercise price (Rs.)
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
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



**Notes to the Consolidated Financial Statements**  
for the year ended March 31, 2022

**IndusInd Bank**

Sr. No	Date of grant	2021-2022		2020-2021	
		No of options	Range of exercise price (Rs.)	No of options	Range of exercise price (Rs.)
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	10,44,500	1,447.75
59	10-Oct-19	1,00,536	1,308.65	1,00,536	1,308.65
60	14-Jan-20	3,40,000	1,539.65	3,40,000	1,539.65
61	24-Apr-20	44,000	409.95	44,000	409.95
62	19-May-20	5,18,000	376.75	5,18,000	376.75
63	07-Aug-20	6,80,000	494.90	6,80,000	494.90
64	14-Aug-20	10,07,000	518.75	10,07,000	518.75
65	30-Dec-20	1,02,500	912.90	1,02,500	912.90
66	12-May-21	90,000	948.85	-	-
67	15-Sep-21	5,14,291	1,036.60	-	-
68	18-Oct-21	1,76,500	1,210.00	-	-
69	07-Jan-22	70,000	921.70	-	-
70	21-Feb-22	35,500	955.35	-	-
71	24-Mar-22	23,500	931.35	-	-

ESOS 2018:

Sr. No	Date of grant	2021-22		2020-21	
		No of options	Range of exercise price (Rs.)	No of options	Range of exercise price (Rs.)
1.	04-Jul-19	30,01,266.00	688.00 – 1,864.00	30,01,266.00	688.00 – 1,864.00
2.	12-Jul-19	22,86,540.00	1,541.25	22,86,540.00	1,541.25

## 8.2 Recognition of expense

RBI, vide its clarification dated August 30, 2021, on Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff, advised Banks that the fair value of share-linked instruments granted to such personnel on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending March 31, 2021. Accordingly, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after March 31, 2021. The fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model and is recognized as compensation expense over the vesting period. 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.

### 8.3 Stock option activity

Stock option activity under ESOS 2020 is set out below.

	2021-22		2020-21	
	No. of options	Weighted average exercise price (Rs.)	No. of options	Weighted average exercise price (Rs.)
Outstanding at the beginning of the year	94,22,112	1,049.33	90,45,348	1,122.47
Granted during the year	9,09,791	1,046.83	23,51,500	495.72
Forfeited / surrendered during the year	3,95,815	1,191.90	6,47,779	1,364.09
Exercised during the year	12,53,700	660.20	13,17,372	412.20
Expired during the year	45,150	864.77	9,585	545.05
Outstanding at the end of the year	86,37,238	1,099.98	94,22,112	1,049.33
Options exercisable at the end of the year	60,84,514	1,226.78	64,34,657	1,193.44

The weighted average market price of options exercised during the year is Rs. 972.44 (Previous year Rs. 856.75).

Stock option activity under ESOS 2018 is set out below.

	2021-22		2020-21	
	No. of options	Weighted average exercise price (Rs.)	No. of options	Weighted average exercise price (Rs.)
Outstanding at the beginning of the year	46,62,023	1,519.63	50,63,849	1,518.98
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	7,24,736	1,534.97	4,00,867	1,513.50
Exercised during the year	959	668.00	959	668.00
Expired during the year	1,997	828.48	-	-
Outstanding at the end of the year	39,34,331	1,517.36	46,62,023	1,519.63
Options exercisable at the end of the year	30,36,930	1,510.43	28,80,467	1,503.02



**Notes to the Consolidated Financial Statements**  
for the year ended March 31, 2022

**IndusInd Bank**

The weighted average market price of options exercised during the year is Rs. 1020.13 (Previous year Rs. 925.85).

Following table summarizes the information about stock options outstanding as at March 31, 2022:

ESOS 2020:

Date of grant	2021-22			2020-21		
	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)
21-Dec-11	-	0	0.00	-	-	-
19-Apr-12	-	0	0.00	-	-	-
25-May-12	-	0	0.00	-	-	-
10-Jul-12	-	0	0.00	-	-	-
20-Jun-13	-	0	0.00	-	-	-
18-Jul-13	453.90	0	0.00	453.9	41,725	0.3
29-Oct-13	-	0	0.00	-	-	-
29-Jan-14	389.85	0	0.00	389.85	1360	0.83
29-Jan-14	-	0	0.00	-	-	-
25-Mar-14	490.30	17,000	0.00	490.3	59,000	0.71
15-May-14	537.05	1,360	0.12	537.05	2,680	0.63
02-Jun-14	533.95	3,21,700	0.17	533.95	6,76,675	0.78
09-Jul-14	-	0	0.00	-	-	-
13-Oct-14	623.25	6,040	0.54	623.25	11,965	1.24
17-Jan-15	831.85	12,580	0.80	831.85	24,790	1.31
30-Mar-15	880.75	2,680	0.01	880.75	2,680	1.5
22-May-15	848.20	3,350	0.65	848.2	5,000	1.15
24-Jul-15	949.80	3,98,760	0.86	949.8	6,16,270	1.42
21-Sep-15	918.65	5,360	0.98	918.65	11,000	1.49
04-Nov-15	911.85	7,690	1.30	911.85	9,690	1.95
12-Jan-16	886.75	6,70,000	1.29	886.75	10,00,000	1.8
12-May-16	1,053.75	2,720	2.12	1,053.75	3,275	3.1
11-Jul-16	1,126.70	11,500	0.92	1,126.70	11,500	2.38
23-Aug-16	1,186.75	1,89,500	1.73	1,186.75	1,89,500	2.73
10-Oct-16	1,220.85	17,33,000	1.61	1,220.85	17,33,000	2.61
16-Nov-16	1,093.10	4,440	2.12	1,093.10	4,440	3.12
27-Jan-17	1,265.40	12,550	2.04	1,265.40	12,550	3.04
24-Mar-17	1,383.90	44,330	2.04	1,383.90	44,330	3.04
19-Apr-17	1,431.75	12,010	2.15	1,431.75	12,010	3.15
09-May-17	1,424.85	69,000	2.12	1,424.85	69,000	3.12
19-Jun-17	1,498.90	32,750	2.38	1,498.90	32,750	3.38
11-Jul-17	1,560.35	15,000	2.29	1,560.35	35,000	3.29
12-Oct-17	1,717.25	65,000	2.55	1,717.25	65,000	3.55



**Notes to the Consolidated Financial Statements**  
for the year ended March 31, 2022

**IndusInd Bank**

Date of grant	2021-22			2020-21		
	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)
11-Jan-18	1,734.10	35,000	2.80	1,734.10	41,000	3.8
27-Mar-18	1,759.75	11,33,070	2.91	1,759.75	12,13,100	3.96
08-May-18	1,889.80	42,500	3.12	1,889.80	42,500	4.12
28-Sep-18	1,682.00	66,000	3.51	1,682.00	90,610	4.23
20-Mar-19	1725.2	55,000	3.98	1,725.20	67,000	4.98
22-May-19	1447.75	8,70,120	4.06	1,447.75	9,28,245	5.11
10-Oct-19	1308.65	86,702	4.54	1,308.65	97,967	5.45
14-Jan-20	1539.65	20,000	4.80	1,539.65	20,000	5.8
24-Apr-20	409.95	11,910	5.17	409.95	24,000	6.09
19-May-20	376.75	2,86,460	5.54	376.75	4,53,000	6.15
07-Aug-20	494.9	5,00,065	5.52	494.9	6,60,000	6.37
14-Aug-20	518.75	9,45,300	5.45	518.75	10,07,000	6.39
30-Dec-20	912.9	82,500	5.76	912.9	1,02,500	6.76
12-May-21	948.85	72,000	6.12	0.00	0.00	0.00
15-Sep-21	1036.6	4,86,791	6.47	0.00	0.00	0.00
18-Oct-21	1210	1,76,500	6.57	0.00	0.00	0.00
07-Jan-22	921.7	70,000	6.79	0.00	0.00	0.00
21-Feb-22	955.35	35,500	6.91	0.00	0.00	0.00
24-Mar-22	931.35	23,500	7.00	0.00	0.00	0.00

ESOS 2018:

Date of grant	2021-22			2020-21		
	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)
04-Jul-19	668.00- 1,864.00	21,66,367	2.21	668.00- 1,864.00	26,33,990	3.29
12-Jul-19	1,541.25	17,67,964	4.71	1,541.25	20,28,033	5.78



#### 8.4 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:

	2021-22	2020-21
Average dividend yield	0.41% - 0.54%	0.83 - 1.99%
Expected volatility	46.53 - 55.65%	44.01 - 49.17%
Risk free interest rates	5.09 - 6.14%	5.04 - 5.51%
Expected life of options (in years)	4.51	4.51

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 Bank has changed valuation of stock-based compensation to fair value using Black-Scholes model from intrinsic value starting April 1, 2021. ESOP's granted during the FY2021-22 are valued at fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model and is recognised as compensation expense over the vesting period. ESOP's granted before April 1, 2021 are still valued at intrinsic value and if these options were valued at fair value then as a result, 'Employees cost' for the year ended March 31, 2022 would have been increased by Rs. 46.79 crores with a consequent reduction in profit after tax.

On a *pro forma* basis, the basic and diluted earnings per share would have been as follows:

Particulars	March 31, 2022	March 31, 2021
<i>Pro forma</i> basis		
Basic earnings per share Rs.	61.62	39.70
Diluted earnings per share Rs.	61.52	39.63

The weighted average fair value of options granted during the year 2021-22 is Rs. 493.80 (Previous year Rs. 199.13).

### 9. Disclosures – Accounting Standards

#### 9.1 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





**Notes to the Consolidated Financial Statements**  
for the year ended March 31, 2022

**IndusInd Bank**

expenses recognized in the Profit and Loss account, and the funded status and amounts recognized in the Balance Sheet, on the basis of actuarial valuation.

	(Rs. in crores)	
	March 31, 2022	March 31, 2021
<b>Changes in the present value of the obligation</b>		
1. Opening balance of Present Value of Obligation	231.11	195.04
2. Interest Cost	14.43	13.11
3. Current Service Cost	30.38	26.70
4. Benefits Paid	(29.99)	(16.70)
5. Actuarial loss / (gain) on Obligation	9.17	12.95
6. Closing balance of Present Value of Obligation	255.10	231.11
<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	219.96	184.88
2. Adjustment to Opening Balance	(1.89)	(0.02)
3. Expected Return on Plan assets	15.38	13.55
4. Expenses	(0.52)	-
5. Contributions	36.92	37.23
6. Benefits Paid	(29.99)	(16.70)
7. Actuarial gain / (loss) on Plan Assets	(2.96)	1.02
8. Closing balance of Fair Value of Plan Assets	236.90	219.96
<b>Profit and Loss – Expenses</b>		
1. Current Service Cost	30.38	26.70
2. Interest Cost	14.43	13.11
3. Expected Return on Plan assets	(15.38)	(13.55)
4. Expenses	0.52	-
5. Net Actuarial loss recognised in the year	12.13	11.93
6. Expenses recognised in the Profit and Loss account	42.08	38.19
<b>Funded status</b>	100% insurance managed funds	100% insurance managed funds
<b>Actuarial Assumptions</b>		
<b>Indusind Bank Ltd:</b>		
1. Discount Rate	6.90 – 7.30	6.75 - 6.77%
2. Expected Rate of Return on Plan Assets	6.77 – 8.00%	6.37 - 8.00%
3. Expected Rate of Salary Increase	5.00%	5.00%
4. Employee Attrition Rate		
- Past Service 0 to 5 years	30.00%	30.00%
- Past Service above 5 years	0.50%	0.50%
<b>Bharat Financial Inclusion Ltd:</b>		
1. Discount Rate	6.70%	6.26%
2. Expected Rate of Return on Plan Assets	6.70%	6.26%



**Notes to the Consolidated Financial Statements**  
for the year ended March 31, 2022

**IndusInd Bank**

	March 31, 2022	March 31, 2021
3. Expected Rate of Salary Increase	12.50% for the first two years and 7.50% there after	12.5% for the first two years and 7.50% there after
4. Employee Attrition Rate	15%	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**

	(Rs. in crores)				
Particulars	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Defined Benefit Obligations	255.09	231.11	195.04	110.52	89.48
Plan Assets	236.91	219.96	184.88	116.97	93.52
Surplus / (Deficit)	(18.18)	(11.15)	(10.16)	6.45	4.04
Experience Adjustments on Plan Liabilities	(9.17)	(12.95)	(9.24)	(8.22)	0.92
Experience Adjustments on Plan Assets	(2.96)	1.02	(2.69)	(1.85)	(4.32)

Contributions expected to be paid to the plan during the annual period beginning after the Balance Sheet date is Rs. 45 crores (Previous year Rs. 31.12 crores).

**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, 2022	March 31, 2021
Total actuarial liability	119.29	98.58
Total expense included in Schedule 16(I)	36.86	26.41
<b>Assumptions:</b>		
<b>IndusInd Bank Ltd:</b>		
Discount Rate	7.30%	6.77%
Salary escalation rate	5.00%	5.00%
<b>Bharat Financial Inclusion Ltd:</b>		
Discount Rate	6.70%	6.26%



**Notes to the Consolidated Financial Statements**  
for the year ended March 31, 2022

**IndusInd Bank**

Salary escalation rate	12.50% for the first two years and 7.50% there after	12.5% for the first two years and 7.50% there after
------------------------	--	---

**Provident Fund**

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

(Rs. in crores)

Assets/ Liabilities	March 31, 2022	March 31, 2021
Present value of Interest Rate guarantee on Provident Fund	0.22	6.41
Present value of Total Obligation	287.10	266.05
Fair value of Plan Assets	298.32	259.68
Net asset / (liability) recognized in the Balance Sheet	11.22	(6.37)
<b>Assumptions</b>		
Normal Retirement age	60 years	60 years
Expected guaranteed interest on PF in future	8.10%	8.50%
Discount rate	7.45% - 8.48%	6.77%
Expected average remaining working lives of employees (years)	6.75 - 9.64	7.35 - 9.64
Benefit on normal retirement	Accumulated account balance with interest rate equal to or more than EPFO Rate	Accumulated account balance with interest rate equal to or more than EPFO Rate
Benefit on early retirement/withdrawal/resignation	Same as normal retirement benefit	Same as normal retirement benefit
Benefit on death in service	Same as normal retirement benefit	Same as normal retirement benefit

**National Pension Scheme (NPS)**

During the year, the Bank contributed Rs. 3.34 crores (Previous year Rs. 2.65 crores) to the NPS for employees who have opted for the scheme.



**Notes to the Consolidated Financial Statements**  
for the year ended March 31, 2022

**IndusInd Bank**

**9.1 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 Operation		Total	
Particulars	31/03/22	31/03/21	31/03/22	31/03/21	31/03/22	31/03/21	31/03/22	31/03/21	31/03/22	31/03/21
Revenue	6,993.31	6,662.09	9,100.87	8,729.89	24,018.64	20,287.73	115.46	174.24	40,228.48	35,853.95
Inter Segment Revenue									(1,998.41)	(353.27)
Total Income									38,230.07	35,500.68
Result	1,391.26	1,938.90	3,259.56	2,990.79	8,755.44	7,189.17	43.52	60.74	13,449.78	12,199.60
Unallocated Expenses									(352.02)	(327.65)
Operating Profit									13,097.76	11,871.95
Provisions and Contingencies (other than tax)									(6,664.93)	(7,942.53)
Tax Expenses									(1,628.18)	(999.54)
Extraordinary profit/loss									-	-
Net Profit before share of associate									4,804.63	2,929.88
Add: Share of profit in associate									0.40	0.22
Net Profit									4,805.03	2,930.10
Other Information:										
Segment Assets	1,02,232.54	98,659.55	120,462.83	1,06,024.25	166,062.39	1,44,140.43	-	-	3,88,757.76	3,48,824.23
Unallocated Assets									13,209.62	14,079.07
Total Assets									4,01,967.38	3,62,903.30
Segment Liabilities	48,053.93	52,074.78	99,645.75	100,017.70	1,95,123.80	1,57,547.29	-	-	3,42,823.48	3,09,639.77
Unallocated Liabilities									11,117.52	9,762.88
Capital and Other Reserves									48,026.38	43,500.65
Total Liabilities									4,01,967.38	3,62,903.30

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



**Notes to the Consolidated Financial Statements**  
for the year ended March 31, 2022

**IndusInd Bank**

**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.

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

The following is the information on transactions with related parties during the year ended March 31, 2022:

**a) Name of Related Party with whom Bank has transactions during the year**

**Key Management Personnel (KMP)**

Mr. Sumant Kathpalia, Managing Director

**Relatives of KMP**

Mrs. Ira Kathpalia, Mr. Karan Kathpalia

**Associates**

IndusInd Marketing and Financial Services Private Limited

**Subsidiaries**

Bharat Financial Inclusion Limited (formerly IndusInd Financial Inclusion Limited)

**b) Transactions during the year**

(Rs. in crores)

Particulars	Parent (as per ownership control)*	Subsidiaries*	Associates/ Joint Venture*	Key Management Personnel*	Relatives of Key Management Personnel	Total
Borrowings	-	-	-	-	-	-
Deposits	-	-	-	-	11.46 (14.33)	11.46 (14.33)
Placement of deposits	-	-	-	-	-	-
Advances	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Non-funded commitments	-	-	-	-	-	-
Leasing/HP arrangements availed	-	-	-	-	-	-
Leasing/HP arrangements provided	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Interest paid	-	-	-	-	0.60	0.60
Interest received	-	-	-	-	-	-



**Notes to the Consolidated Financial Statements**  
for the year ended March 31, 2022

**IndusInd Bank**

Particulars	Parent (as per ownership control)*	Subsidiaries*	Associates/ Joint Venture*	Key Management Personnel*	Relatives of Key Management Personnel	Total
Rendering of services	-	-	-	-	-	-
Receiving of services	-	-	-	-	-	-
Management contracts	-	-	-	-	-	-

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

Figures in parenthesis represent maximum balance outstanding during the year.

The following represents the significant transactions between the Bank and such related parties including relatives of above mentioned KMP during the year ended March 31, 2021:

**a) Name of Related Party with whom Bank has transactions during the year**

**Key Management Personnel (KMP)** Mr. Sumant Kathpalia, Managing Director

**Relatives of KMP**

Mrs. Ira Kathpalia, Mr. Karan Kathpalia

**Associates**

IndusInd Marketing and Financial Services Private Limited

**Subsidiaries**

Bharat Financial Inclusion Limited (formerly IndusInd Financial Inclusion Limited)

**b) Transactions during the year**

(Rs. in crores)						
Particulars	Parent (as per ownership control)*	Subsidiaries*	Associates/ Joint Venture*	Key Management Personnel*	Relatives of Key Management Personnel	Total
Borrowings	-	-	-	-	-	-
Deposits	-	-	-	-	10.61 (11.81)	10.61 (11.81)
Placement of deposits	-	-	-	-	-	-
Advances	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Non-funded commitments	-	-	-	-	-	-



**Notes to the Consolidated Financial Statements**  
for the year ended March 31, 2022

**IndusInd Bank**

Particulars	Parent (as per ownership control)*	Subsidiaries*	Associates/Joint Venture*	Key Management Personnel*	Relatives of Key Management Personnel	Total
Leasing/HP arrangements availed	-	-	-	-	-	-
Leasing/HP arrangements provided	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Interest paid	-	-	-	-	0.73	0.73
Interest received	-	-	-	-	-	-
Rendering of services	-	-	-	-	-	-
Receiving of services	-	-	-	-	-	-
Management contracts	-	-	-	-	-	-

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

Figures in parenthesis represent maximum balance outstanding during the year.

### 9.3 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, 2022	March 31, 2021
Future lease rentals payable as at the end of the year:		
- Not later than one year	390.33	337.87
- Later than one year but not later than five years	1,048.31	1,057.02
- Later than five years	379.26	402.48
Total of minimum lease payments recognized in the Profit and Loss Account for the year	426.92	374.66
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.



#### 9.4 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, 2022	March 31, 2021
Net Profit after tax (Rs. in crores)	4805.03	2,930.10
Basic weighted average number of equity shares	77,40,94,014	73,19,29,220
Diluted weighted average number of equity shares	77,53,72,364	73,32,30,801
Nominal value of Equity Shares (Rs.)	10	10
Basic Earnings per Share (Rs.)	62.07	40.03
Diluted Earnings per Share (Rs.)	61.97	39.96

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.

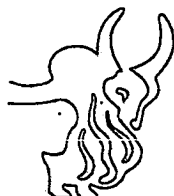
#### 9.5 Deferred Tax (AS 22)

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

	(Rs. in crores)			
	March 31, 2022		March 31, 2021	
	Deferred Tax		Deferred Tax	
	Assets	Liabilities	Assets	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	2.33	0.35	-	2.38
Difference between Provisions for doubtful debts and advances and amount allowable under Section 36(1)(viii) of the Income Tax Act, 1961	1390.89	-	1,809.14	-
Difference between income as per the books of account and income offered under the Income Tax Act, 1961	-	364.80	-	353.30
Others	839.03	-	201.57	-
<b>Sub-total</b>	<b>2,232.25</b>	<b>365.15</b>	<b>2,010.71</b>	<b>355.68</b>
<b>Net closing balance carried to the Balance Sheet (included in Sch. 11 – Others)</b>	<b>1867.10</b>		<b>1,655.03</b>	

#### Provision for taxation during the year

Particulars	(Rs. in crores)	
	March 31, 2022	March 31, 2021
Current tax	1840.25	1,703.94
Incremental deferred tax asset net of deferred tax liability	(212.07)	(704.40)
<b>Total (Refer Note 10.1 of Schedule 18)</b>	<b>1628.18</b>	<b>999.54</b>





**10. Additional Disclosures**

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

(Rs in crores)		
Provision debited to Profit and Loss Account	March 31, 2022	March 31, 2021
i) Provisions for depreciation (including NPI and write off)	366.40	608.81
ii) Provision towards NPA (including bad debts write off)	4146.61	5,059.79
iii) Provision made towards Income tax	1,628.18	999.54
iv) Other Provisions and Contingencies	2,151.94	2273.93

**10.2 Proposed Dividend:**

The Board of Directors, in their meeting held on April 29, 2022, have proposed a final dividend of Rs. 8.50 per equity share amounting to Rs. 658.46 crores. The proposal is subject to the approval of shareholders at the ensuing 28th Annual General Meeting and accordingly, this proposed dividend amounting to Rs. 658.46 crores is not recognised as a liability on March 31, 2022 and the same has not been considered as an appropriation from the Profit and Loss Account for the year ended March 31, 2022.

Dividend for the year ended March 31, 2021, paid during the year pursuant to the approval of the shareholders at the 27th Annual General Meeting, at the rate of Rs. 5 per equity share amounting to Rs.386.69 crores including corporate dividend tax, has been considered as an appropriation from the Profit and Loss Account during the year.

**10.3 Other expenses forming a part of Schedule 16 includes service provider fees amounting to Rs. 451.89 crores (Previous Year Rs. 391.04 crores).**

**10.4 During the financial year ended March 31, 2022, other than the transactions undertaken in the normal course of group business and in accordance with extant regulatory guidelines and Group's internal policies, as applicable:**

1. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
2. No funds have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries



**Notes to the Consolidated Financial Statements**  
for the year ended March 31, 2022

**IndusInd Bank**

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

Additional information to consolidated accounts at March 31, 2022 (Pursuant to Schedule III of the Companies Act, 2013)

(Rs in crores)

Name of the Entity	Net Assets*				Share in Profit or Loss			
	2021-22		2020-21		2021-22		2020-21	
	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	99.31%	47,697.23	99.69%	43,365.41	95.96%	4,611.12	96.80%	2,836.39
<b>Subsidiary:</b>								
Bharat Financial Inclusion Limited	0.77%	370.04	0.41%	176.53	4.03%	193.52	5.24%	153.49
<b>Associate:</b>								
IndusInd Marketing and Financial Services Pvt Ltd	-	-	-	-	0.01%	0.40	0.01%	0.22
Inter-company and Other adjustments	(0.08%)	(40.88)	(0.10%)	(41.29)	-	-	(2.05%)	(60.00)
<b>Total</b>	<b>100.00%</b>	<b>48,026.39</b>	<b>100.00%</b>	<b>43,500.65</b>	<b>100.00%</b>	<b>4,805.04</b>	<b>100.00%</b>	<b>2,930.10</b>

\* Net assets are total assets minus total liabilities

12. The COVID-19 pandemic had led to an unprecedented level of disruption on socio-economic front which led to a nation-wide lockdown across the country in April 2020 and May 2020. The 'second wave' peaked in April 2021-May 2021 and subsided in June-July 2021. The 'third wave' of Covid-19 broke out at December end, which has impacted Banks operations mildly and level of uncertainty is currently reducing.

India is coming out of the disruptions caused by the COVID-19 pandemic. The extent to which any new wave of COVID-19 will impact the Bank's operations is dependent on future developments. In view of the same, the Bank continues to hold contingent provisions of Rs. 3,178 crores as of March 31, 2022, including an amount of Rs. 1,160 crore in respect of borrower accounts restructured in accordance with Resolution Framework for Covid-19 related stress.



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, 2022	As at 31st March, 2021
a) Principal amount due to suppliers under MSMED Act, 2006	0.41	-
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)	-	-

The above disclosure is made where Group has received the invoices and is pending for payment as on March 31, 2022. Above disclosure are related to other payable which are in nature of service related to vendors and suppliers

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.



**Notes to the Consolidated Financial Statements**  
**for the year ended March 31, 2021**

**IndusInd Bank**

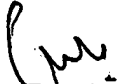
15. Previous year's figures have been regrouped / reclassified wherever necessary.

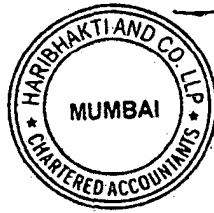
As per our report of even date attached.


**For Haribhakti & Co. LLP**

Chartered Accountants

Firm Registration No: 103523W/WI00048

  
**Perushottam Nyati**  
Partner  
Membership No: 118970



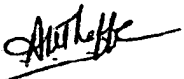
  
**Arun Tiwari**  
Chairman  
DIN: 05345547

  
**Sumant Kathpalia**  
Managing Director  
DIN: 01054434

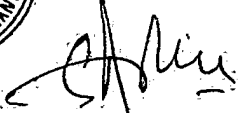
**For M.P. Chitale & Co.**

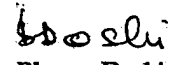
Chartered Accountants

Firm Registration No: 101851W

  
**Anagha Thatte**  
Partner  
Membership No: 105525



  
**Sanjay Asher**  
Director  
DIN: 00008221

  
**Bhavna Doshi**  
Director  
DIN: 00400508

  
**Gobind Jain**  
Chief Financial Officer

  
**Girish Koliyote**  
Company Secretary

Place: Mumbai

Date: April 29, 2022

