Placement Document
Not for circulation
Strictly confidential
Serial number ____

INDIAN BANK

Our Bank was incorporated on March 5, 1907 under the Indian Companies Act, 1882 as 'Indian Bank Limited'. Our Bank was constituted as 'Indian Bank' under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended ("**Banking Companies Act**") on July 19, 1969. For further details, see "*General Information*" on page 298.

Corporate Office: No. 254-260, Avvai Shanmugam Salai, Royapettah, Chennai – 600 014 Tamil Nadu, India
Telephone: +91 44 2813 4076; **Website:** www.indianbank.in; **Email:** investors@indianbank.co.in

Indian Bank (the "**Issuer**" or the "**Bank**") is issuing 10,15,22,842 equity shares of face value ₹ 10 each (the "**Equity Shares**") at a price of ₹394 per Equity Share, including a premium of ₹384 per Equity Share (the "**Issue Price**"), aggregating up to ₹4,000.00 crore (the **"Issue"**). For further details, see "*Summary of the Issue*" on page 29.

THIS ISSUE IS IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), THE BANKING COMPANIES ACT, THE BANKING REGULATION ACT, 1949, AS AMENDED (THE "BANKING REGULATION ACT"), INDIAN BANK (SHARES AND MEETINGS) REGULATIONS, 1999, AS AMENDED (THE "INDIAN BANK REGULATIONS") AND THE NATIONALISED BANKS (MANAGEMENT AND MISCELLANEOUS PROVISIONS) SCHEME, 1970 (THE "NATIONALISED BANKS SCHEME")

THE ISSUE, AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS ("ELIGIBLE QIBs") AS DEFINED UNDER THE SEBI ICDR REGULATIONS IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QIBs.

YOU ARE NOT AUTHORISED TO, AND MAY NOT (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENT, OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT, IN WHOLE OR IN PART, IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS. THIS PLACEMENT DOCUMENT WILL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBS WHOSE NAMES ARE RECORDED BY OUR BANK PRIOR TO MAKING AN INTIMATION TO SUBSCRIBE TO THE EQUITY SHARES.

INVESTMENTS IN EQUITY SHARES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THIS ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "RISK FACTORS" ON PAGE 49 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS ISSUE. PROSPECTIVE INVESTORS OF THE EQUITY SHARES OFFERED SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR.

Invitations for subscription, offer and sale of the Equity Shares has only been made pursuant to the Preliminary Placement Document together with the respective Application Form, this Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "*Issue Procedure*" on page 242. The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Bank to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any documents referred to in this Placement Document.

The information on the websites of our Bank, Subsidiaries, Joint Ventures or Associates or any website directly or indirectly linked to the websites of our Bank, Subsidiaries, Joint Ventures, Associates or the website of the Book Running Lead Managers or their respective affiliates, does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The outstanding Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE December 14, 2023 was ₹449.60 and ₹449.45 per Equity Share, respectively. In-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations") for listing of the Equity Shares have been received from BSE and NSE each on December 12, 2023. Applications to the Stock Exchanges will be made for obtaining listing and trading approvals for the Equity Shares offered through the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on BSE and NSE should not be taken as an indication of the merits of the business of our Bank or the Equity Shares.

A copy of the Preliminary Placement Document and this Placement Document has been delivered to the Stock Exchanges. The Preliminary Placement Document and this Placement Document has not been and will not be filed as a prospectus with the Registrar of Companies ("**RoC**") in India, and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. The Preliminary Placement Document and this Placement Document will not be registered as a private placement offer letter with the RoC. This Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges or the RoC or any other regulatory or listing authority and is intended only for use by the Eligible QIBs.

OUR BANK HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.

The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("Rule 144A") and referred to in this Placement Document as a "U.S. QIB") in transactions exempt from the registration requirements of the U.S. Securities Act, and (b) outside the United States in "offshore transactions" in compliance with Regulation S ("Regulation S") under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as "QIBs". For further information, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 258 and 267, respectively.

This Placement Document is dated December 15, 2023.

BOOK RUNNING LEAD MANAGERS					
IIFL Securities Limited	**Axis Capital Limited**	**Emkay Global Financial Services Limited**	**ICICI Securities Limited**	**JM Financial Limited**	**SBI Capital Markets Limited**

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NOTICE TO INVESTORS

Our Bank has furnished, and accepts full responsibility for, all of the information contained in this Placement Document and confirms that, to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Bank and the Equity Shares which is material in the context of the Issue. The statements contained in this Placement Document relating to our Bank and the Equity Shares are, in all material respects, true and accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Bank and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Bank. There are no other facts in relation to our Bank and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Bank has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. The information contained in this Placement Document has been provided by our Bank and other sources identified herein.

IIFL Securities Limited, Axis Capital Limited, Emkay Global Financial Services Limited, ICICI Securities Limited, JM Financial Limited and SBI Capital Markets Limited (collectively, the "**Book Running Lead Managers**" or the "**BRLMs**") have not separately verified the information contained in the Preliminary Placement Document and this Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by any of the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in the Preliminary Placement Document and this Placement Document or any other information supplied in connection with the Issue or the distribution of the Equity Shares. Each person receiving the Preliminary Placement Documen and this Placement Document acknowledges that such person has not relied on either the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Bank and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Bank or by or on behalf of the Book Running Lead Managers. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including SEBI, the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-U.S. regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States, only to persons who are reasonable belived to be U.S QIBs in transactions exempt "from the registration requirements of the U.S. Securities Act and (b) outside the United States in "offshore transactions" (as defined in Regulation S in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares will be transferable only in accordance with the restrictions described under "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 258 and 267, respectively. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as "QIBs".

The subscribers of the Equity Shares offered in the Issue have made the representations, warranties, acknowledgments and agreements set forth in "*Notice to Investors*", "*Representations by Investors*", "*Selling*

Restrictions” and “*Transfer Restrictions*” on pages 1, 5, and , respectively.

The distribution of this Placement Document and the issuance of Equity Shares pursuant to the Issue may be restricted by law in certain jurisdictions. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No action has been taken by the Bank and the Book Running Lead Managers which would permit an issue of the Equity Shares offered in the Issue or the distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document nor this Placement Document or any other Issue-related materials in connection with the Issue may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see “*Selling Restrictions*” on page 258.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Bank to any person, other than Eligible QIBs specified by the Book Running Lead Managers or their representatives, and those retained by such QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any offering material in connection with the Issue.

In making an investment decision, investors must rely on their own examination of our Bank and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of the Preliminary Placement Document and this Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Bank nor the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under applicable legal, investment or similar laws or regulations. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Bank under Indian law, including Chapter VI of the SEBI ICDR Regulations and is not prohibited by SEBI or any other regulatory, statutory or judicial authority from buying, selling or dealing in securities.

The information on our Bank’s website (www.indianbank.in) or any website directly or indirectly linked to our Bank’s website or the websites of the Book Running Lead Managers and of their respective affiliates, does not constitute or form part of this Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents. All references herein to “you” or “your” is to the prospective investors in the Issue.

NOTICE TO INVESTORS IN THE UNITED STATES

THE EQUITY SHARES HAVE NOT BEEN RECOMMENDED BY ANY U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PLACEMENT DOCUMENT OR APPROVED OR DISAPPROVED THE EQUITY SHARES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE BANK AND THE TERMS OF THE OFFER, INCLUDING THE MERITS AND RISKS INVOLVED.

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR ANY OTHER APPLICABLE LAW OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO PERSONS REASONABLY BELIEVED TO BE U.S. QIBS IN TRANSACTIONS EXEMPT FROM

THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND (B) OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" (AS DEFINED IN REGULATION S) IN COMPLIANCE WITH REGULATION S UNDER AND THE APPLICABLE LAWS OF THE JURISDICTIONS WHERE THOSE OFFERS AND SALES OCCUR. THE EQUITY SHARES ARE TRANSFERABLE ONLY IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED UNDER THE SECTIONS "*SELLING RESTRICTIONS*" AND "*TRANSFER RESTRICTIONS*" ON PAGES 258 AND 267, RESPECTIVELY.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Placement Document has been prepared on the basis that all offers of Equity Shares in Member States of the European Economic Area ("**EEA**") (each a "**Member State**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 of the European Parliament and Council EC (and amendments thereto). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Placement Document should only do so in circumstances in which no obligation arises for the Bank or any of the Book Running Lead Managers to produce a prospectus for such offer. None of the Bank or the Book Running Lead Managers have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Book Running Lead Managers which constitute the final placement of Equity Shares contemplated in this Placement Document.

Information to distributors

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares the subject of the Offering have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the "**UK Target Market Assessment**"). Notwithstanding the UK Target Market Assessment, "distributors" (for the purposes of the UK Product Governance Requirements) should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

In the United Kingdom, this document is being distributed only to, and is directed only at, persons: (A) (i) who have professional experience in matters relating to investments and who are investment professionals falling within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the "**FSMA Order**"), (ii) falling within Article 49(2)(a) to (d) of the FSMA Order, and (iii) to whom it may otherwise lawfully be communicated; and (B) who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018 (all such persons together being referred to as "**relevant persons**"). This document must not be acted on or relied on in the United Kingdom, by persons who are not relevant persons. Any investment or investment activity to which the document relates is available only to, in the United Kingdom, relevant persons. The communication of this offering memorandum to any person who is not a relevant person is unauthorized and may contravene the Financial Services and Markets Act 2000, as amended.

NOTIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)

Singapore Securities and Futures Act Product Classification – the Bank has determined, and hereby notifies all relevant persons (as defined in Section 309A of the Securities and Futures Act (Chapter 289 of Singapore)) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAAN16: Notice on Recommendations on Investment Products).

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 258 and 267, respectively.

Any information about our Bank available on any website of the Stock Exchanges, our Bank or the BRLMs, other than this Placement Document, shall neither constitute a part of the Preliminary Placement Document nor this Placement Document and no investment decision should be made on the basis of such information.

REPRESENTATIONS BY INVESTORS

References herein to "you, "your" is to the prospective investors to the Issue.

By bidding for and/or subscribing to any Equity Share under the Issue, you are deemed to have represented, warranted to us and the Book Running Lead Managers, and acknowledged and agreed as follows:

a. your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Bank or Subsidiaries or Associates or Joint Ventures that is not set forth in the Preliminary Placement Document and this Placement Document;

b. you are a "Qualified Institutional Buyer" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under the applicable laws and regulations of India and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated (as defined hereinafter) to you in accordance with Chapter VI of the SEBI ICDR Regulations, and undertake to comply with the SEBI ICDR Regulations and all other applicable laws, including in respect of reporting requirements in India, or making necessary filings, including with the RBI, if any, in connection with the Issue;

c. if you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges (additional restrictions apply if you are within the United States and certain other jurisdictions), see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 258 and 267, respectively;

d. you are aware that the Equity Shares have not been and will not be filed through a prospectus under the Companies Act, SEBI ICDR Regulations or under any other law in force in India, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. Neither the Preliminary Placement Document nor this Placement Document has not been reviewed, verified or affirmed by RBI, SEBI, the Stock Exchanges or any other regulatory or listing authority and will not be filed with the RoC, and is intended only for use by Eligible QIBs. The Preliminary Placement Document and this Placement Document has been filed with the Stock Exchanges for record purposes only and the Preliminary Placement Document and this Placement Document has been displayed on the websites of our Bank and the Stock Exchanges;

e. you are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdiction(s) which apply to you and that you have the necessary capacity and fully observed such laws and obtained all such governmental and other consents in each case which may be required thereunder and complied with all necessary formalities to enable you to participate in this Issue and to perform your obligations in relation thereto (including, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

f. you are aware of the additional requirements that are applicable, as set forth under "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 258 and 267 respectively and you are permitted and have necessary capacity to acquire / subscribe to the Equity Shares under the laws of all relevant jurisdictions which apply to you and that you have fully observed such laws and obtained all such governmental and other consents in each case which may be required thereunder and complied with all necessary formalities and have obtained all necessary consents and approvals to enable you to commit to participation in this Issue and to perform your obligations in relation thereto (including, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

g. neither our Bank nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates is making any recommendation to you, advising you regarding the suitability of any transactions it may enter into in connection with the Issue and that participation in the Issue is on the basis that you are not and will not, up to the Allotment, be a client of any of the Book Running Lead Managers and that the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates have no duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are in no way acting in a fiduciary capacity to you;

h. you confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Bank or its agents ("**Bank's Presentations**") with regard to our Bank, the Equity Shares or the Issue; or (ii) if you have participated in or attended any Bank's Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have knowledge of the statements that our Bank or its agents may have made at such Bank's Presentations and are therefore unable to determine whether the information provided to you at such Bank's Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Managers have advised you not to rely in any way on any information that was provided to you at such Bank's Presentations, and (b) confirm that, you have not been provided any material information relating to our Bank, the Equity Shares or the Issue that was not publicly available;

i. you are aware that if you are Allotted more than 5.00% of the Equity Shares in the Issue, our Bank is required to disclose your name and the number of Equity Shares Allotted to you to the Stock Exchanges, and they will make the same available on their website and you consent to such disclosures being made by us;

j. you understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Banking Companies (Acquisition And Transfer Of Undertakings) Act, 1970 read with the Banking Regulation Act, 1949, the Nationalised Banks (Management And Miscellaneous Provisions) Scheme, 1970 and the Indian Bank (Shares and Meetings) Regulations, 1999 and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

k. you are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law including but not limited to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, each as amended;

l. all statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our Bank's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Bank's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Bank's present and future business strategies and environment in which our Bank will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Placement Document. Our Bank assumes no responsibility to update any of the forward-looking statements contained in this Placement Document;

m. you have been provided a serially numbered copy of the Preliminary Placement Documen and this Placement Document and have read the Preliminary Placement Document and this Placement Document in its entirety, including, in particular, "*Risk Factors*" on page 49;

n. you are aware and understand that the Equity Shares are being offered only to Eligible QIBs and are not being offered to the general public and the Allotment of the same shall be made by our Bank on a discretionary basis, in consultation with the Book Running Lead Managers;

o. you are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 258 258and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" on page 258258, and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

p. you understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and, accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the U.S. Securities Act;

q. if you are within the United States, you are a U.S. QIB, who is acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the definition of a U.S. QIB, for investment purposes only, and not with a view to, or for reoffer or resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part, and are not an affiliate of the Bank or a person acting on behalf of such an affiliate;

r. if you are outside the United States, you are subscribing for the Equity Shares in an "offshore transaction" within the meaning of Regulation S under the U.S. Securities Act, and are not our Bank's or the BRLMs' affiliate or a person acting on behalf of such an affiliate;

s. you are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or directed selling efforts (as defined in Regulation S) and you understand and agree that offers and sales (a) in the United States, are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) of the U.S. Securities Act or another available exemption from registration under the U.S. Securities Act, and the Equity Shares may not be eligible for resale under Rule 144 thereunder; and (b) outside the United States, are being made in offshore transactions in compliance with Regulation S;

t. you understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" on page 267 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Transfer Restrictions*" on page 267, and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

u. that in making your investment decision, (i) you have relied on your own examination of our Bank and the terms of the Issue, including the merits and risks involved; (ii) you have made and will continue to make your own assessment of our Bank, the Equity Shares and the terms of the Issue based on such information as is publicly available; (iii) you have consulted your own independent advisors (including tax advisors) or otherwise have satisfied yourself concerning, without limitation, the effects of local laws and taxation matters; (iv) you have relied solely on the information contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Bank or the Book running Lead Managers or any other party; (v) you have received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Bank and the Equity Shares and; (vi) relied upon your investigation and resources in deciding to invest in the Issue. You are seeking to subscribe to / acquire the Equity Shares in this Issue for your own investment and not with a view to resale or distribution;

v. you are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of entities in a similar nature of the business, similar stage of development, and in similar jurisdictions. You and any accounts for which you are subscribing the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares; (ii) will not look to our Bank and/or the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates for all or part of any such loss or losses that may be suffered including losses arising out of non-performance by our Bank of any of its respective obligations or any breach of any representations and warranties by our Bank, whether to you or otherwise; (iii) are able to sustain a complete loss on the investment in the Equity Shares; (iv) have no need for liquidity with respect to the investment in the Equity Shares; (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment;

w. our Bank or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates have not provided you with any tax advice or otherwise made any representations regarding the tax consequences of the purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice and will not rely on the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates or our Bank when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You waive and agree not to assert any claim against the Book Running Lead Managers or our Bank or any other respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents, associates or affiliates with respect to the tax aspects of the Equity Shares or the Issue or as a result of any tax audits by tax authorities, wherever situated;

x. you acknowledge that the Preliminary Placement Document did not, and this Placement Document does not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

y. where you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire the Equity Shares for each managed account; and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

z. you are not a 'promoter' of our Bank (as defined under the SEBI ICDR Regulations) and are not a person related to the Promoter (as defined hereinafter), either directly or indirectly and your Application does not directly or indirectly represent the promoter or promoter group (as defined under the SEBI ICDR Regulations) of our Bank or a person related to the Promoter;

aa. you have no rights under a shareholders agreement or voting agreement with the Promoter or promoter group, no veto rights or right to appoint any nominee director on the Board of our Bank other than the rights acquired if any in the capacity of a lender not holding any equity Shares of our Bank the acquisition of which shall not deem you to be a Promoter or a person related to the Promoter;

bb. you have no right to withdraw or revise downwards your Application after the Bid/ Issue Closing Date (as defined hereinafter);

cc. you are eligible to apply and hold Equity Shares so Allotted and together with any securities of our Bank held by you prior to the Issue. You further confirm that your holding upon the issue and allotment of the Equity Shares shall not exceed the level permissible as per any regulation applicable to you including, but not limited to, the Banking Regulation Act, 1949, Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and in the event of your holding of the Equity Shares reaches any applicable limits as may be prescribed you will make the appropriate disclosures and obtain the necessary permissions in this regard from the relevant authorities/RBI;

dd. the Bid submitted by you would not eventually result in triggering an open offer under the SEBI Takeover Regulations (as defined hereinafter), and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

ee. your aggregate holding together with other prospective Investors participating in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

- QIBs belonging to the "same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst a Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and

- 'control' shall have the same meaning as is assigned to it by clause 1 (e) of Regulation 2 of the SEBI Takeover Regulations (as defined hereinafter).

ff. you shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approval for the Equity Shares is issued by the Stock Exchanges;

gg. you are aware and understand that the Book Running Lead Managers have entered into a Placement Agreement (as defined hereinafter) with our Bank whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein agreed to manage the Issue and, undertaken to use its reasonable endeavours to seek to procure subscription for the Equity Shares on the terms and conditions set forth therein;

hh. if you are an Eligible FPI as defined in this Placement Document, you confirm that you will participate in the Issue only under and in conformity with Schedule II of FEMA Rules and you confirm that you are not an FVCI or a multilateral or bilateral development financial institution and that you are not an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules. Further, you acknowledge that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) in our Bank does not exceed 10% of the post-Issue paid-up capital of our Bank on a fully diluted basis, and further with effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Bank. You also confirm that you are eligible to invest in India under applicable laws, including those issued by the RBI, and the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory or statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India

ii. you confirm that neither are you an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in which case, investment can only be through the Government approval route), and that your investment is in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT and Rule 6 of the FEMA Rules;

jj. that the the contents of the Preliminary Placement Document and Placement this Placement Document are exclusively the responsibility of our Bank and that neither the Book Running Lead Managers nor any person acting on their behalf has or shall have any liability for any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or any information previously published by or on behalf of our Bank and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or otherwise. By participating in the Issue, you agree to the same and confirm that you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Managers or our Bank or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents, associates or affiliates or any other person and neither the Book Running Lead Managers nor our Bank or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents, associates or affiliates nor any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

kk. that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in the Preliminary Placement Document and this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares issued in pursuance of the Issue and that you have neither received nor relied on any other information given or representations, warranties or statements made by the Book Running Lead Managers or our Bank and neither the Book Running Lead Managers nor our Bank will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty or statement that you have obtained or received;

ll. that each of the representations, warranties, acknowledgements and agreements set forth above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

mm. you agree to indemnify and hold our Bank and the Book Running Lead Managers and their respective shareholders, directors, officers, employees, counsel, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgments and agreements made by you in the Preliminary Placement Document and this Placement Document. You agree that the indemnity set forth in this section shall survive the resale of the Equity Shares Allotted under the Issue by or on behalf of the managed accounts;

nn. that our Bank, the Book Running Lead Managers, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Book Running Lead Managers on their own behalf and on behalf of our Bank and are irrevocable and it is agreed that if any of such representations, warranties, acknowledgements, undertakings and agreements are no longer accurate, you will promptly notify the Book Running Lead Managers;

oo. that you understand that none of the Book Running Lead Managers nor its respective affiliates has any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by us of any of our respective obligations or any breach of any representations or warranties by us, whether to you or otherwise;

pp. that you are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and such approval has been received from the Stock Exchanges; and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final approvals for listing of the Equity Shares will be obtained in time or at all. Neither our Bank nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, affiliates, associates, controlling persons and representatives shall be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;

qq. any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of the Republic of India and the courts at Chennai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), for which they may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to the Preliminary Placement Document and this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis. SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above mentioned restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the Book Running Lead Managers which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Bank and do not constitute any obligation of, claims on or interests in our Bank. Our Bank has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Bank. Our Bank and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and does not constitute any obligations of or claims on the Book Running Lead Managers.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto.

Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document has been submitted to the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of the Preliminary Placement Document and this Placement Document;

2. warrant that the Equity Shares pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Bank, its Promoter, its management or any scheme or business activity of our Bank;

It should not for any reason be deemed or construed to mean that the Preliminary Placement Documen and this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to "you", "your", "offeree", "purchaser", "Bidder", "subscriber", "recipient", "investors", "prospective investors" and "potential investor" are to the Eligible QIBs who are the prospective investors of the Equity Shares in the Issue and references to the "Issuer", "Bank" or "our Bank" are to the Indian Bank, on a standalone basis. All references to the "we", "us" or "our" are to the Indian Bank, its Subsidiaries, Associates and Joint Ventures on a consolidated basis, unless otherwise specified or the context otherwise indicates or implies.

References in this Placement Document to "India" are to the Republic of India and its territories and possessions and the "Government" or the "Central Government" or the "state government" are to the Government of India, or the governments of any state in India, as applicable and as the case may be. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions. References to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Page Numbers

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document.

Currency and Units of Presentation

In this Placement Document, references to "USD", "$", "U.S.$" and "U.S. dollars" are to the legal currency of the United States and references to, "₹","Rs.", "INR" and "Rupees" are to the legal currency of India.

References to "lakhs" and "crores" in this Placement Document are to the following:

1. one lakh represents ₹100,000 (one hundred thousand);
2. ten lakhs represents ₹1,000,000 (one million);
3. one crore represents ₹10,000,000 (ten million);
4. ten crores represents ₹100,000,000 (one hundred million); and
5. one hundred crores represents ₹1,000,000,000 (one thousand million or one billion).

Financial and Other Information

In this Placement Document, we have included the following financial statements prepared under Indian GAAP: (i) audited standalone and consolidated financial statements for Fiscal 2021 read along with the notes thereto (the "**Fiscal 2021 Audited Financial Statements**"); (ii) audited standalone and consolidated financial statements for Fiscal 2022 read along with the notes thereto (the "**Fiscal 2022 Audited Financial Statements**"); (iii) audited standalone and consolidated financial statements for Fiscal 2023 read along with the notes thereto (the "**Fiscal 2023 Audited Financial Statements**" and collectively with Fiscal 2021 Audited Financial Statements and Fiscal 2022 Audited Financial Statements, the "**Audited Financial Statements**"), (iv) unaudited reviewed standalone and consolidated financial results of our Bank, which comprises of the standalone and consolidated balance sheet as of September 30, 2023, the related standalone and consolidated profit & loss account for the six months period ended September 30, 2023, the standalone and consolidated cash flow statement and the consolidated statement of changes in equity for the six months period ended September 30, 2023 and selected explanatory notes thereon, subjected to a limited review, as filed with the Stock Exchanges on October 26, 2023 (the "**Unaudited September 2023 Financial Results"**) and (v) unaudited reviewed standalone and consolidated financial results of our Bank, which comprises of the standalone and consolidated balance sheet as of September 30, 2022, the related standalone and consolidated profit & loss account for the six months period ended September 30, 2022, the standalone and consolidated cash flow statement and the consolidated statement of changes in equity for the six months period ended September 30, 2022 and selected explanatory notes thereon, subjected to a limited review, as filed with the Stock Exchanges on November 3, 2022 (the "**Unaudited September 2022 Financial Results"** and collectively with Unaudited September 2023 Financial Results, the **"Reviewed Financial Results"**).

The Audited Financial Statements are prepared in accordance with Indian GAAP as applicable to banks, guidelines issued by the RBI from time to time, practices generally prevailing in the banking industry in India and the applicable standards on auditing. Our Bank prepares its financial statements in Rupees in accordance with Indian GAAP which differ in certain important aspects from U.S. GAAP and other accounting principles and standards on auditing with which prospective investors may be familiar in other countries. We have not attempted to quantify the impact of U.S. GAAP on the financial data included in this Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with the respective accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

In addition, the Ministry of Corporate Affairs (the "**MCA**"), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind-AS converged with IFRS for scheduled commercial banks, insurers, insurance companies and non-banking financial companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. These regulations required our Bank to prepare Ind-AS based financial statements for accounting period commencing April 1, 2018 with comparative financial statements for the accounting period ending March 31, 2018. On June 23, 2016, RBI directed all scheduled commercial banks (excluding regional rural banks) to submit proforma Ind-AS financial statements, for the half year ended September 30, 2016 to Reserve Bank of India, Mumbai. RBI *vide* notification dated March 22, 2019, decided to defer the implementation of Ind-AS on scheduled commercial banks (excluding regional rural banks) till further notice. The nature and extent of the possible impact of Ind-AS on our financial reporting and accounting practices is currently uncertain, and there can be no assurance that such impact will not be significant. Our Bank cannot assure you that it has completed a comprehensive analysis of the effect of Ind AS on future financial information or that the application of Ind AS will not result in a materially adverse effect on our Bank's future financial information. For further information on the transition to Ind AS, see "*Risk Factors – Indian accounting principles differ from those which prospective investors may be familiar with in other countries. In addition, the effects of the planned convergence with, and adoption of, IFRS are uncertain*" on page 49.

The Fiscal Year of our Bank commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year. Unless otherwise stated, references in this Placement Document to a particular year are to the calendar year ended on December 31, and to a particular "Fiscal" or "Fiscal Year" or "FY" are to the fiscal year ended on March 31.

All figures appearing in this Placement Document have been rounded off to two decimal places. Accordingly, the figure shown as totals herein may not be an arithmetic aggregation of the figures which precede them.

Basis of Presentation

Unless otherwise stated, the Bank's financial information included in this Placement Document (including the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*") has been presented on a standalone basis, which does not reflect the financial performance or financial condition of the Bank's subsidiaries. Although the Bank possesses certain subsidiaries, it believes that the impact of those entities on the Bank's consolidated financial statements is not significant. Accordingly, the Bank's management primarily utilizes the Bank's standalone financial information to monitor the operational strength and performance of the Bank's business. For more information on the Bank's financial information on a consolidated basis, see the Bank's consolidated financial statements, which have been included in this Placement Document. For more information on the Bank's subsidiaries, see " *Our Business– Our Subsidiaries, Joint Venture and Associates*" on page 175.

Non-GAAP Financial Measures

The Bank uses a variety of financial and operational performance indicators to measure and analyze its operational performance from period to period, and to manage its business. The Bank's management also uses other information that may not be entirely financial in nature, including statistical and other comparative information commonly used within the Indian banking industry to evaluate our financial and operating performance. These key financial and operational performance indicators and ratios are defined along with a brief explanation in the sections, see "*Definitions and Abbreviations*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Select Statistical Information*" on pages 22, 95 and 122, respectively.".

These financial and operational performance indicators are not defined under Indian GAAP and have limitations as analytical tools. As a result, they should not be considered in isolation from, or as substitutes for, an analysis of the Bank's historical financial performance, as reported and presented in its financial statements in accordance with Indian GAAP. While these financial and operational performance indicators may be used by other banks and financial institutions operating in the Indian banking industry, they may not be comparable to similar financial or performance indicators used by other banks or financial institutions. Other banks or financial institutions may use different financial or performance indicators or calculate these ratios differently, and similarly titled measures published by them may therefore not be comparable to those used by the Bank. For a reconciliation of the Bank's non-GAAP financial measures to Indian GAAP, see " *see "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page* 95".

The Bank's website, and the websites of its Subsidiaries, Associates and Joint Ventures shall not form a part of this Placement Document.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupees and the U.S. dollar will affect the U.S. dollar equivalent of the Rupee price of the Equity Shares on BSE and NSE. These fluctuations will also affect the conversion into U.S. dollar of any cash dividends paid in Rupees on the Equity Shares. The exchange rate between the Rupee and US Dollar has been volatile over the past year.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹per US$) for, or as of, the end of the periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmarks India Private Limited (the "**FBIL**"), which are available on the website of the RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

Period	(₹ per USD)			
	Period End	Average*	High**	Low***
Financial year ended				
2023	82.22	80.39	83.20	75.39
2022	75.81	74.51	76.92	72.48
2021	73.50	74.20	76.81	72.29
Month Ended				
November 30, 2023	83.35	83.30	83.39	83.13
October 31, 2023	83.27	83.24	83.27	83.15
September 30, 2023	83.06	83.05	83.26	82.66
August 31, 2023	82.68	82.79	83.13	82.28
July 31, 2023	82.25	82.15	82.68	81.81
June 30, 2023	82.04	82.23	82.64	81.88

**Average of the official rate for each working day of the relevant period.*
***Maximum of the official rate for each working day of the relevant period.*
****Minimum of the official rate for each working day of the relevant period.*
(Source: www.fbil.org.in)

Note: If the FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day has been disclosed. The reference rates are rounded off to two decimal places.

Although the Bank has translated selected Indian rupee amounts in this Placement Document into USD for convenience, this does not mean that the Indian rupee amounts referred to could have been, or could be, converted to USD at any particular rate or, the rates stated above, or at all. There are certain restrictions on the conversion of Indian rupees into USD.

INDUSTRY AND MARKET DATA

Information regarding market position, market size, growth rates, other industry data and certain industry forecasts pertaining to the businesses of our Bank contained in this Placement Document consists of estimates, forecasts based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which our Bank competes. Our Bank has not commissioned any industry report for the purposes of this Placement Document. Unless stated otherwise, the statistical information included in this Placement Document relating to the industry in which our Bank operates has been reproduced from various trade, industry and government publications and websites.

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investors should not place undue reliance on or base their investment decision on this information. In certain cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring us to rely on internally developed estimates.

All such data is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither our Bank nor any of the Book Running Lead Managers have independently verified this data and do not make any representation regarding accuracy or completeness of such data. Our Bank takes responsibility for accurately reproducing such information but accept no further responsibility in respect of such information, data, projections, forecasts, conclusions or any other information contained in this section. Certain information contained herein pertaining to prior years is presented in the form of estimates as they appear in the respective reports/source documents. The actual data for those years may vary significantly and materially from the estimates so contained.

The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

AVAILABLE INFORMATION

Our Bank has agreed that, for so long as any Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, our Bank will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act, subject to compliance with the applicable provisions of Indian law.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "can", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Bank are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Bank's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Bank's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts.

These forward-looking statements and any other projections contained in this Placement Document (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that they may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about the Bank that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- Our business is vulnerable to interest rate risk, and any volatility in interest rates;
- Increase in level of restructured loans in our portfolio and inadequate performance of our restructured loans;
- Any increase in provisioning norms and delays in resolution of stressed assets;
- Our inability to secure longer-term funding for our operations or at a cost that is favorable or at a competitive cost;
- Our investment portfolio comprises largely of government securities that may limit our ability to deploy funds in higher yield investments;
- Our ability on maintaining and building a successful branch network; and
- Our ability to compliance with RBI inspection/ observations and regulatory requirements and standards specified by regulatory authorities in the foreign jurisdictions.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Our Business*" on pages 49, 95, 160 160and 175respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Bank. Although our Bank believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither our Bank nor the Book Running Lead Managers undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Bank's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Bank could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Bank are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI and Stock Exchange requirements, our Bank and the Book Running Lead Managers will ensure that the Shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

ENFORCEMENT OF CIVIL LIABILITIES

All of our Bank's Directors, key managerial personnel and members of senior management are residents of India and a substantial portion of the assets of our Bank are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Bank or such persons outside India, or to enforce judgments obtained against such parties in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Code on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except:

- where the judgment has not been pronounced by a court of competent jurisdiction;
- where the judgment has not been given on the merits of the case;
- where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable;
- where the proceedings in which the judgment was obtained are opposed to natural justice;
- where the judgment has been obtained by fraud; and
- where the judgment sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory, including that of a court in the United States of America, may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such foreign judgment, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. The Bank and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Placement Document shall have the meaning as defined hereunder. Further, any references to any statute or regulations or policies shall include amendments thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms used in "*Selected Financial Information of our Bank*", "*Taxation*", "*Industry Overview*", "*Legal Proceedings*" and "*Financial Statements*" on pages 33, 278, 160, 175 and 299299, respectively, shall have the meaning given to such terms in such sections.

Bank Related Terms

Term	Description
Our "Bank"/, the "Bank/", the "Issuer",	Indian Bank was incorporated on March 5, 1907 under the Indian Companies Act, 1882 as 'Indian Bank Limited'. Our Bank was constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970, as amended ("**Banking Companies Act**") on July 19, 1969 and having its corporate office at No. 254-260, Avvai Shanmugam Salai, Royapettah, Chennai – 600 014, Tamil Nadu, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Bank together with our Subsidiaries, Associates and Joint Venture
Amalgamation	The Department of Financial Services, Ministry of Finance, Government of India issued a Gazette Notification no. CG-DL-E04032020-216535 dated March 4, 2020, approving the scheme of amalgamation of erstwhile Allahabad Bank into our Bank in exercise of the powers conferred by Section 9 of the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1980 (40 of 1980).
Associate	Tamilnadu Grama Bank, Saptagiri Grameena Bank and Puduvai Bharathiar Grama Bank
Audited Financial Statements	Collectively, the Fiscal 2021 Audited Financial Statements, Fiscal 2022 Audited Financial Statements and the Fiscal 2023 Audited Financial Statements
Auditors/Statutory Auditors	The statutory central auditors of our Bank being, SARC & Associates, Chartered Accountants, Kailash Chand Jain & Co., Chartered Accountants, S Singhal & Co., Chartered Accountants, G Balu Associates LLP, Chartered Accountants and Dass Gupta & Associates, Chartered Accountants
Banking Companies Act	Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970
Banking Regulation Act	The Banking Regulation Act, 1949
Board or Board of Directors	Board of directors of our Bank
CFO	Chief financial officer of our Bank
Corporate Office	254-260, Avvai Shanumugam Salai, Royapettah, Chennai – 600 014, Tamil Nadu, India
Equity Shares	Equity shares of face value ₹ 10 each of our Bank
Financial Statements	Audited Financial Statements and Reviewed Financial Results.
Fiscal 2021 Audited Financial Statements	Audited standalone and consolidated financial statements of our Bank prepared under Indian GAAP for Fiscal 2021 read along with the notes
Fiscal 2022 Audited Financial Statements	Audited standalone and consolidated financial statements of our Bank prepared under Indian GAAP for Fiscal 2022 read along with the notes
Fiscal 2023 Audited Financial Statements	Audited standalone and consolidated financial statements of our Bank prepared under Indian GAAP for Fiscal 2023 read along with the notes
Joint Ventures	Joint ventures of our Bank namely: 1. ASREC (India) Limited; and 2. Universal Sompo General Insurance Company Limited

Term	Description
Key Managerial Personnel	Key management personnel of our Bank as disclosed in "*Board of Directors and Senior Management*" on page 207
Managing Director and Chief Executive Officer	Managing Director and Chief Executive Officer of our Bank
Nationalized Banks Scheme	The Nationalized Banks (Management & Miscellaneous Provisions) Scheme 1970
NPS	National Pension Scheme
OBUs	Offshore Banking Units
PoS	Point of Sale
Promoter	The promoter of our Bank namely, the President of India, acting through the Ministry of Finance, Government of India
Previous Auditors	M/s Sriramamurthy & Co., Chartered Accountants, M/s Ravi Rajan & Co. LLP, Chartered Accountants, M/s PKF Sridhar & Santhanam LLP, Chartered Accountants, M/s G Natesan & Co., Chartered Accountants and SARC & Associates, Chartered Accountants
Reviewed Financial Results	Unaudited September 2022 Financial Results and Unaudited September 2023 Financial Results
Registrar of Companies/ RoC	Registrar of Companies Tamil Nadu at Chennai
Senior Management	Senior management of our Bank in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in "*Board of Directors and Senior Management*" on page 207.
Subsidiaries	Subsidiaries of our Bank namely: 1. Indbank Housing Limited; and *2.* Indbank Merchant Banking Services Limited
Unaudited September 2022 Financial Results	The unaudited reviewed standalone and consolidated financial results of our Bank, which comprises of the standalone and consolidated balance sheet as of September 30, 2022, the related standalone and consolidated profit & loss account for the six months period ended September 30, 2022, the standalone and consolidated cash flow statement and the consolidated statement of changes in equity for the six months period ended September 30, 2022 and selected explanatory notes thereon, subjected to a limited review, as filed with the Stock Exchanges on November 3, 2022.
Unaudited September 2023 Financial Results	The unaudited reviewed standalone and consolidated financial results of our Bank, which comprises of the standalone and consolidated balance sheet as of September 30, 2023, the related standalone and consolidated profit & loss account for the six months period ended September 30, 2023, the standalone and consolidated cash flow statement and the consolidated statement of changes in equity for the six months period ended September 30, 2023 and selected explanatory notes thereon, subjected to a limited review, as filed with the Stock Exchanges on October 26, 2023

Issue Related Terms

Term	Description
Allocated/Allocation	The allocation of Equity Shares, by our Bank in consultation with the Book Running Lead Managers, following the determination of the Issue Price to successful Bidders on the basis of the Application Form submitted by them, and in compliance with Chapter VI of the SEBI ICDR Regulations and other applicable laws
Allotted/Allotment/Allot	Unless the context otherwise requires, Issue and allotment of Equity Shares to successful Bidders pursuant to this Issue
Allottee	Bidders to whom the Equity Shares are Allotted pursuant to the Issue
Application Form	The form (including any revisions thereof) has been submitted by an Eligible QIB for registering a Bid in the Issue during the Bid/ Issue Period
Bid(s)	An indication of interest of a Bidder to subscribe for the Equity Shares in the Issue as provided in the Application Form (including all revisions and modifications thereto). The term "Bidding" shall be construed accordingly.
Bid Amount	With respect to each Bidder, the amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by such Bidder

Term	Description
Bid/Issue Closing Date	December 15, 2023 the date after which our Bank ceased acceptance of Application Forms and the Bid Amount.
Bid/Issue Opening Date	December 12, 2023, the date on which our Bank commenced the acceptance of the Application Forms and the Bid Amount
Bid/Issue Period	Period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders submitted their Bids including any revision and/or modification thereof along with the Bid Amount.
Bidder	An Eligible QIB, who made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Book Running Lead Managers/BRLMs	The book running lead managers to the Issue, in this case being IIFL Securities Limited, Axis Capital Limited, Emkay Global Financial Services Limited, ICICI Securities Limited, JM Financial Limited and SBI Capital Markets Limited.
CAN/Confirmation of Allocation Notice	Note or advice or intimation to Successful Bidders confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price.
Closing Date	The date on which Allotment of the Equity Shares pursuant to the Issue shall be expected to be made, i.e., on or about December 18, 2023.
Designated Date	The date of credit of Equity Shares to the Allottees' demat account, pursuant to the Issue, as applicable to the relevant Allottees
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices
Eligible QIB(s)	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI Regulations which (i) is not restricted from participating in the Issue under the applicable laws, and (ii) is a resident of India or is an Eligible FPI participating through Schedule II of the FEMA Rules
Escrow Account	The non-interest bearing, no-lien, current account opened with the Escrow Agent, pursuant to the Escrow Agreement, into which the application monies payable by Bidders towards subscription of the Equity Shares and for remitting refunds pursuant to the Issue has been deposited.
Escrow Agent	Indian Bank
Escrow Agreement	The escrow agreement dated December 12, 2023 entered into amongst our Bank, the Escrow Agent and the Book Running Lead Managers.
Floor Price	The floor price of ₹414.44 per Equity Share which has been calculated in accordance with Regulation 176 of Chapter VI of the SEBI ICDR Regulations. Our Bank offered a discount of 4.932% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations and in accordance with the approval of the shareholders of our Bank accorded through their resolution passed on June 19, 2023.
Issue	Issue of 10,15,22,842 Equity Shares of face value ₹ 10 each at a price of ₹ 394 per Equity Share, including a premium of ₹ 384 per Equity Share, pursuant to this Placement Document aggregating up to ₹ 4,000.00 crore.
Issue Price	₹394 per Equity Share
Issue Proceeds	The gross proceeds of the Issue. For details, see "*Use of Proceeds*".
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds
Placement Agreement	The placement agreement dated December 12, 2023 entered into amongst our Bank and the Book Running Lead Managers
Placement Document	This placement document dated December 15, 2023 issued by our Bank in accordance with Chapter VI of the SEBI ICDR Regulations
Preliminary Placement Document	The preliminary placement document cum application form dated December 12, 2023 issued in accordance with Chapter VI of the SEBI ICDR Regulations, pursuant to which a QIB submitted a Bid in the Issue
Qualified Institutional Buyers or QIBs	Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under chapter VI of the SEBI ICDR Regulations
Refund Amount	The aggregate amount to be returned to the Bidders, who have not been Allocated Equity Shares for all or a part of the Bid Amount submitted by such Bidder pursuant to the Issue
Refund Intimation Letter	Letters from our Bank intimating the Bidders on the amount to be refunded, if any, either in part or whole, to their respective bank accounts.

Term	Description
Relevant Date	December 12, 2023, being the date of the meeting in which a committee of Directors (duly authorised by the Board), decides to open the Issue
Stock Exchanges	BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount (along with the Application Form) and who have been Allocated Equity Shares in the Issue
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/Abbreviations

Term	Description
AB	Allahabad Bank
ALCO	The Asset Liability Management Committee of our Bank
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AMC	Asset management company
AOP	Association of persons
App	Mobile application
AS	Accounting Standards issued by ICAI
AY	Assessment year
Banking Companies Act	Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970
Banking Regulation Act	The Banking Regulation Act, 1949
Banking Ombudsman Scheme	Banking Ombudsman Scheme, 2006
Basel III	A global regulatory framework for more resilient banks and banking systems published by the Bank for International Settlements. RBI issued guidelines on the implementation of Basel III capital regulations in India on May 2, 2012 and revised as per notification issued by the RBI on March 27, 2014
Billion	1,000 million
BSE	BSE Limited
Calendar Year	Year ending on December 31
CBI	Central Bureau of Investigation
CCI	Competition Commission of India
CDR	Corporate debt restructuring
CDR System	A joint forum of banks and financial institutions in India established in 2001 as an institutional mechanism for corporate debt restructuring
CDSL	Central Depository Services (India) Limited
CII	Confederation of Indian Industry
CIN	Corporate identity number
CMP	Cash Management Product
Civil Code	The Code of Civil Procedure, 1908
Cr.P.C.	The Code of Criminal Procedure, 1973
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	The Consolidated FDI Policy notified by the DPIIT under DPIIT File Number 5(2)/2020- FDI Policy dated the October 15, 2020, effective from October 15, 2020
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018
Depository Participant	A depository participant as defined under the Depositories Act
DIIPT	Department for Promotion of Industry and Internal Trade (Formerly known as Department of Industrial Policy & Promotion)
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECB	External commercial borrowing
ECS	Electronic clearing service

Term	Description
EGM	Extraordinary general meeting
FCNR(B)	Foreign currency non-resident (bank)
FDI	Foreign direct investment
FEDAI	Foreign Exchange Dealers' Association of India
FEMA	The Foreign Exchange Management Act, 1999 and the regulations issued thereunder
FEMA Rules/FEMA Non-Debt Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FICCI	Federation of Indian Chambers of Commerce and Industry
Fiscal or Fiscal Year	Period of 12 months ended 31 March of that particular year, unless otherwise stated
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FRA/IRS	Forward rate agreements/interest rate swaps
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally accepted accounting principles
GAAR	General Anti-Avoidance Rules
GDP	Gross domestic product
GIR	General index registrar
GoI/Government	Government of India, unless otherwise specified
GST	Goods and services tax; a reform to Indian tax laws relating to indirect taxes on goods and services
HNIs	High net worth individuals
HR	Human resources
HUF	Hindu undivided family
ICA	The Institute of Cost Accountants of India
ICAI	The Institute of Chartered Accountants of India
ICRA	ICRA Limited
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
IMF	International Monetary Fund
IND AS	Indian Accounting Standards converged with IFRS, which has been proposed for implementation by the ICAI
Indian GAAP	Generally Accepted Accounting Principles of India as applicable to banks
IT	Information technology
IT Act	The Income Tax Act, 1961
ITES	Information technology enabled services
MAT	Minimum alternate tax
Million	1,000 thousand
MNC	Multinational corporation
MoF	Ministry of Finance
MoU	Memorandum of understanding
MSEs	Micro and small enterprises
NEAT	National Exchange for Automated Trading
NEFT	National electronic fund transfer
NGOs	Non-government organizations
NPCI	National Payments Corporation of India
NRE	Non-resident (external)
NRI	Non-resident Indian
NRO	Ordinary non-resident
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
Nationalised Banks Scheme	The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970
OFAC	Office of Foreign Assets Control of the U.S. Treasury Department
PAN	Permanent account number
PFRDA	Pension Fund Regulatory and Development Authority
PMLA	The Prevention of Money Laundering Act, 2002

Term	Description
Prudential Framework	The Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019.
Prudential Norms	Prudential norms on income recognition, asset classification and provisioning pertaining to advances issued by the RBI on July 1, 2015
PTC	Pass through certificate
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Recovery of Debts Act	The Recovery of Debts Due To Banks and Financial Institutions Act, 1993
Regulation D	Regulation D under the U.S. Securities Act
Regulation S	Regulation S under the U.S. Securities Act
Rule 144A	Rule 144A under the U.S. Securities Act
RFID	Radio frequency identification
Rs./Rupees/INR/₹	Indian Rupees
RWA	Risk weighted assets
SARFAESI Act	The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SCBs	Scheduled commercial banks
SCR (SECC) Rules	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
SEC	United States Securities and Exchange Commission
SFIO	Serious Fraud Investigation Office, Ministry of Corporate Affairs, Government of India
SIDBI	Small Industries Development Bank of India
STT	Securities transaction tax
U.K.	United Kingdom
U.S. GAAP	Generally Accepted Accounting Principles in the United States
U.S. QIBs	"Qualified Institutional Buyers" as defined in Rule 144A under the U.S. Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended
USA/U.S. /United States	The United States of America
USD/U.S. $ /U.S. dollar	United States Dollar, the legal currency of the United States of America
VCF	Venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
WPI	Wholesale price index
WTO	World Trade Organisation

Industry Related Terms

Term/Abbreviation	Full Form/Description
ATMs	Automated Teller Machines
CASA	Current account and savings account
CCB	Capital conservation buffer

Term/Abbreviation	Full Form/Description
CET1	Common equity Tier I capital ratio
CRAR	Capital to risk weighted asset ratio
DCBS	Department of Co-operative Bank Supervision
GDP	Gross Domestic Product
GNPA	Gross non-performing assets
HFC	Housing Finance Companies
IRDAI	Insurance Regulatory Development Authority of India
LAF	Liquidity Adjustment Facility
LCR	Liquidity Cover Ratio
MFI	Micro Finance Institutions
MSME	Micro, Small and Medium Enterprises
MoSPI	The Ministry of Statistics and Programme Implementation
NABARD	National Bank for Agriculture and Rural Development
NBFCs	Non-banking financial companies
NBFCs-ND-SI	Systemically important non-deposit accepting NBFCs
NHB	National Housing Bank
NIM	Net interest margin
NNPA	Net non-performing assets
PCR	Provisioning coverage ratio
PMIs	Purchasing managers' indices
PSBs	Public sector banks
Repo Rate	Re-purchase option rate; the annual rate at which RBI lends to other banks in India
Reverse Repo Rate	The rate at which RBI borrows money from banks in India
RRB	Regional rural bank
RTGS	Real time gross settlement
SBNs	Specified bank notes
SCB	Scheduled Commercial Banks
SDF	Standing deposit facility
SDR	Strategic Debt Restructuring
SFBs	Small Finance Banks
SFCs	State financial corporations
SIDBI	Small Industries Development Bank of India
SLR	Statutory liquidity ratio (as per requirements of the RBI)
SMA	Special mention account
SME	Small and medium enterprises
Tier I Capital	Tier I capital instruments as defined under the guidelines on capital adequacy issued by RBI
Tier II Capital	Tier II capital instruments as defined under the guidelines on capital adequacy issued by RBI
UCBs	Urban Co-operative Banks
y-o-y	year-on-year

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including under "Risk Factors", "Use of Proceeds", "Issue Procedure", "Description of the Equity Shares" and "Placement" on pages 49, 92, 242, 275 and 256 respectively. *The information contained in "Description of the Equity Shares" shall prevail in the event of any inconsistency with the terms set out in this section.*

Issuer	**Indian Bank**
Issue Size	10,15,22,842 Equity Shares of face value ₹10 each at a price of ₹394 per Equity Share, including a premium of ₹384 per Equity Share, aggregating up to ₹4,000.00 crore. **A minimum of 10% of the Issue Size i.e. at least 1,01,52,285 Equity Shares was made available for Allocation to Mutual Funds only, and the balance of 9,13,70,557 Equity Shares was made available for Allocation to all Eligible QIBs, including Mutual Funds.**
Face Value	₹10 per Equity Share
Issue Price	₹394 per Equity Share
Floor Price	The Floor Price for the Issue calculated in terms of Regulation 176 under Chapter VI of the SEBI ICDR Regulations is ₹414.44 per Equity Share with reference to December 12, 2023 as the Relevant Date. Our Bank offered a discount of 4.932% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations and in accordance with the approval of the shareholders of our Bank accorded through their resolution passed on June 19, 2023.
Date of Board resolution authorizing the Issue	May 8, 2023
Date of Shareholders resolution authorizing the Issue	June 19, 2023
Eligible Investors	Eligible QIBs, to whom the Preliminary Placement Document and the Application Form have been delivered and who are eligible to make a Bid and participate in the Issue. See "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 242, 258, and 267, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form was delivered has been determined by the Book Running Lead Managers, in consultation with our Bank, at their sole discretion
Equity Shares subcribed, issued, paid-up and outstanding immediately prior to the Issue	1,24,54,41,139 Equity Shares
Equity Shares subscribed, issued, paid-up and outstanding immediately after the Issue	1,34,69,63,981 Equity Shares
Dividend	For more information, see "*Description of the Equity Shares*", "*Dividend Policy*" and "*Taxation*" on pages 275, 94 and 278, respectively.
Indian Taxation	For more information, see "*Taxation*" on page 278.
Issue Procedure	The Issue is being made only to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 242.

Listing	Our Bank has obtained in-principle approvals each dated December 12, 2023 for the listing of the Equity Shares in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, from BSE and NSE. Our Bank shall apply to BSE and NSE for the final listing and trading approvals, after the Allotment and after the credit of the Equity Shares to the respective beneficiary accounts of the successful Bidders maintained with a Depository Participant.
Transfer Restriction	The Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a Stock Exchange. The Equity Shares are subject to certain selling and transfer restrictions. For details, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 258 and 267, respectively.
Closing Date	The date on which Allotment of the Equity Shares pursuant to the Issue shall be expected to be made, i.e., on or about December 18, 2023.
Ranking	The Equity Shares being issued shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividends. The shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by our Bank after the date of Allotment. Shareholders may attend and vote in shareholders' meetings in accordance with applicable laws. For details, see "*Description of the Equity Shares*" on page 275.
Lock-up	For further details, see "*Placement - Lock up*" on page 256 for a description of restrictions on our Bank in relation to Equity Shares.
Use of Proceeds	The gross proceeds from the Issue aggregate up to ₹ 4,000.00 crore. The Net Proceeds of the Issue, after deduction of fees, commissions and expenses in relation to the Issue, are expected to total approximately ₹ 3,979.77 crore. For further details, see "*Use of Proceeds*" on page 92.
Risk Factors	Prior to making an investment decision, Eligible Investors should consider carefully the matters discussed under "*Risk Factors*" on page 49.
Security Codes for the Equity Shares:	
ISIN	INE562A01011
BSE Code	532814
NSE Code	INDIANB

SUMMARY OF BUSINESS

Overview

The Bank is seventh largest public sector banks in India as per global business for Fiscal 2023. *(Source: https://www.iba.org.in/depart-res-stcs/key-bus-stcs.html; last accessed on December 11, 2023)* As of September 30, 2023, the Bank's total assets, net advances and deposits stood at ₹7,38,766.72 crore, ₹4,70,626.58 crore and ₹6,40,802.66 crore, respectively. Having originated out of Southern India, the Bank has strengthened its brand and reputation over the years as it expanded its operations across India. Further, the amalgamation with erstwhile Allahabad Bank has resulted in larger balance sheet size and optimized capital utilization, wider geographic reach leading to deeper penetration, sharing and scale of product capabilities and platforms with greater cross sell across segments, increase in operational and process efficiencies through scale benefits and elimination of duplication.

The amalgamation of the erstwhile Allahabad Bank into our Bank came into effect on April 1, 2020. Since the amalgamation, we have worked diligently to harmonize and transform the policies, products and processes of our new amalgamated Bank. We rolled out a new organizational structure, expanded our pan-India presence and rationalized the number of branches for effective operations.

As of September 30, 2023, the Bank had over 15 crore customer accounts, reflecting its large customer base, with operations across 28 states and 6 union territories with 21,511 touch points in India. The Bank also has two branches in Sri Lanka, one branch in Singapore and one IFSC branch in GIFT City, Gandhinagar Gujarat as of September 30, 2023. Other distribution channels include internet banking, e-remittance, SMS banking and mobile banking.

The Bank's primary banking operations currently include fund-based and non-fund-based facilities for retail, agriculture and micro, small and medium enterprises and corporate customers.

The principal banking operational units of the Bank include:

- Retail Banking;
- Micro, Small and Medium Enterprises ("**MSME**") Banking;
- Agricultural Banking;
- Corporate Banking;
- International Banking; and
- Other Services.

Through its banking operational units, the Bank offers deposit products, foreign exchange products, fee and commission-based products and services, international banking products and services, and other banking products and services, such as the distribution of mutual fund and insurance products. It also engages in treasury operations and are also engaged in the business of housing finance, merchant banking, depository participant services, general insurance and act as an asset reconstruction company through our subsidiaries, joint ventures and associates.

Over the years, the Bank has taken several steps to reorient itself back onto a path of sustainable growth and profitability. Among these steps, the Bank has undertaken better NPA management, better credit monitoring (through early warning signals) and capacity building of personnel. The Bank also made several investments in technology and data analytics to transform its operating architecture into a technology enabled digital operating platform. As of September 30, 2023, our Bank had 0.98 crore internet banking users and 1.51 crore mobile banking users. Our Bank has focused on modernizing and expanding its retail customer touch points by implementing advanced digital banking platforms, such as mobile banking through the 'IND OASIS' mobile app, internet banking, online account opening facility and digital lending. In addition, the Bank also digitally-enabled its asset liability management, loan origination, cash management and financial reporting areas, thus improving its internal risk management processes.

The table below sets forth the Bank's selected key ratios:

	For the Fiscal year ended / As of March 31,			**For the six months ended / As of September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
Provision coverage ratio (%)	82.12	87.38	93.82	91.08	95.64
Return on equity ratio (%)	10.63	12.13	14.73	14.00	18.90
Return on asset ratio (%)	0.50	0.63	0.77	0.72	1.01
Capital adequacy ratio (CRAR) (%)	15.71	16.53	16.49	16.15	15.53

	For the Fiscal year ended / As of March 31,			For the six months ended / As of September 30,	
	2021	**2022**	**2023**	**2022**	**2023**
Gross NPA as a percentage of Gross Advance (%)	9.85	8.47	5.95	7.30	4.97

The Bank's net interest income was ₹15,665.95 crore, ₹ 16,727.95 crore, ₹ 20,225.46 crore, ₹ 9,217.95 crore and ₹ 11,443.70 crore in Fiscal 2021, 2022, 2023 and six months ended September 30, 2022 and September 30, 2023, respectively. Net interest margin was 2.81%, 2.93%, 3.37%, 3.13% and 3.51%, in Fiscal 2021, 2022, 2023 and six months ended September 30, 2022 and September 30, 2023, respectively. Total interest income was ₹ 39,105.79 crore, ₹ 38,856.22 crore, ₹ 44,942.21 crore, ₹ 20,863.56 crore and ₹ 26,792.67 crore in Fiscal 2021, 2022, 2023 and six months ended September 30, 2022 and September 30, 2023, respectively.

SELECTED FINANCIAL INFORMATION OF OUR BANK

The financial data set forth below should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 95 and "*Financial Statements*" on page 299, including the schedules and notes thereto, included elsewhere in this Placement Document. Our Audited Financial Statements were prepared in accordance with Indian GAAP and provisions of Banking Regulation Act, read with relevant guidelines and directions issued by RBI. The historical results do not necessarily indicate results expected for any future period. Indian GAAP differs in certain material respects from US GAAP and IFRS. Neither the information set forth below nor the format in which it is presented should be viewed as comparable to information prepared in accordance with IFRS or other accounting principles.

Consolidated Summary Balance Sheet for Fiscals 2023, 2022 and 2021

(₹ in crore)

Particulars	**As on March 31, 2023**	**As on March 31, 2022**	**As on March, 2021**
CAPITAL & LIABILITIES			
Capital	1,245.44	1,245.44	1,129.37
Reserves and Surplus	48,261.38	43,706.49	38,328.70
Minority Interest	26.19	24.98	22.60
Deposits	6,21,123.23	5,93,570.88	5,38,029.80
Borrowings	22,092.42	17,217.52	24,762.77
Other Liabilities and Provisions	20,585.34	18,331.12	23,261.93
Total	**7,13,334.00**	**6,74,096.43**	**6,25,535.17**
ASSETS			
Cash and Balances with Reserve Bank of India	32,692.73	58,554.66	27,545.18
Balances with Banks and Money at call and short notice	17,524.10	21,413.56	23,958.97
Investments	1,88,366.28	1,76,501.61	1,78,292.44
Loan and Advances	4,49,293.95	3,89,186.07	3,62,669.08
Fixed Assets	7,480.67	7,698.91	7,392.56
Other Assets	17,976.27	20,741.62	25,676.94
Total	**7,13,334.00**	**6,74,096.43**	**6,25,535.17**

Note:

Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification

Consolidated Summary Profit and Loss Account for Fiscals 2023, 2022 and 2021

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
I. Income			
Interest earned	44,985.16	38,888.44	39,108.08
Other Income	7,804.50	7,379.71	6,111.40
Total	**52,789.66**	**46,268.15**	**45,219.48**
II. Expenditure			
Interest expended	24,717.29	22,129.25	23,438.80
Operating Expenses	12,724.76	11,353.54	10,789.28
Provisions & Contingencies	10,017.13	8,791.47	7,975.68
Total	**47,459.18**	**42,274.26**	**42,203.76**
III. Consolidated Profit/(loss) for the year attributable to the group	**5,330.48**	**3,993.89**	**3,015.72**
Share of earnings in Associates (net)	243.04	150.30	134.86
Consolidated Profit/(Loss) for the period before deducting minorities' interest	**5,573.52**	**4,144.19**	**3,150.58**
Less: Minority Interest	1.21	2.38	1.43
Consolidated Profit/(Loss) for the period attributable to the group	**5,572.31**	**4,141.81**	**3,149.15**
Profit/(loss) brought forward	1,071.77	845.15	556.71
Add: Adjustment/ Set off against Share Premium	0.00	(23.19)	41.29
Balance carried forward to the Balance Sheet	**6,644.08**	**4,963.77**	**3,747.15**
IV. Appropriations			
Transfer To			
Statutory Reserves	1,320.43	986.21	751.17
Capital Reserves	0.00	147.90	47.71
Spl. Reserve u/s 36(1)(viii) of IT Act	191.73	108.35	0.00
Investment Fluctuations Reserve	0.00	0.00	464.91
Revenue Reserves	2,655.00	1,800.00	1,387.34
Staff Welfare Fund	40.00	40.00	25.00
Proposed Equity Dividend	1,071.08	809.54	225.87
Balance carried over to consolidated Balance Sheet	1,365.84	1,071.77	845.15
Total Appropriations	**6,644.08**	**4,963.77**	**3,747.15**
Earnings per Share ₹ (Basic & diluted)	44.74	33.99	27.88

Note:
Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification

Consolidated Cash Flow Statement for Fiscals 2023, 2022 and 2021

(₹ in crore)

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Net Profit as per Profit and Loss Account before minority interest	5,573.52	4,144.19	3,150.58
Adjustments for:			
Provisions and Contingencies	10,104.12	9,134.71	8,404.74
Depreciation on fixed Assets	532.39	600.86	636.90
Interest on Capital Instrument	733.88	749.59	643.98
Loss/(profit) on sale of land and buildings	(0.16)	(3.05)	0.42
Income Tax paid	(13.60)	(12.18)	(19.72)
Operating Profit before Working Capital Changes	**16,930.15**	**14,614.12**	**12,816.90**
Increase/Decrease in Operating Assets			
(Increase)/Decrease in Investments	(12,356.81)	1,337.08	(15,380.42)
(Increase)/Decrease in Advances	(66,714.84)	(34,967.37)	(30,252.79)
(Increase)/Decrease in other assets	2,778.95	4,947.50	(2,161.93)
	(76,292.70)	**(28,682.79)**	**(47,795.14)**
Increase/Decrease in Operating Liabilities			
Increase/(Decrease) in Deposits	27,552.35	55,541.08	49,525.72
Increase/(Decrease) in Borrowings (other than capital instruments)	4,874.89	(6,945.25)	(6,778.19)
Increase/(Decrease)in other liabilities	(958.68)	(5,776.83)	9,461.63
	31,468.56	**42,819.00**	**52,209.16**
Net cash generated from Operations (A)	**(27,893.99)**	**28,750.33**	**17,230.92**
Cash Flow from investing activities			
Purchase of fixed assets	(334.36)	(323.09)	(560.44)
Sale of fixed assets	20.38	18.40	15.56
Net cash generated from Investing Activities (B)	**(313.98)**	**(304.69)**	**(544.88)**
Cash Flow from Financing activities			
Payment of Dividend	(809.54)	(249.09)	0.00
Issue of AT-1Bonds	0.00	0.00	2,000.00
Issue of Tier-2Bonds	0.00	0.00	2,000.00
Redemption of AT-1 Bonds	0.00	0.00	(500.00)
Redemption of Tier-2 Bonds	0.00	(600.00)	(1,000.00)
Interest on Capital Instrument	(733.88)	(782.48)	(631.94)
Equity capital issued during the period (incl share premium)	0.00	1,650.00	0.00
Amount paid to e-AB Shareholder (for fraction part)	0.00	0.00	(2.51)
Net cash generated from financing activities (C)	**(1,543.42)**	**18.43**	**1,865.55**
Cash & cash equivalents received on account of amalgamation (D)	0.00	0.00	21,777.86

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Net increase/(Decrease)in cash & cash equivalents (A+B+C+D)	**(29,751.39)**	**28,464.07**	**40,329.45**
Cash and Cash Equivalents at the beginning of the year			
Cash in hand (including foreign currency notes)	1962.45	1,658.38	1,006.09
Balances with RBI			
a) in current account	22,092.01	25,886.80	4,730.04
b) in other deposit accounts	34,500.20	8,900.00	0.00
Balance in Banks			
a) in current account	30.64	116.03	8.86
b) in other deposit accounts	1,413.81	2,065.07	721.65
Money at Call and short notice with Bank	0.00	0.00	2,100.00
Balances with Banks outside India			
a) in current account	503.98	1,577.68	530.93
b) in other deposit accounts	19,453.09	11,270.83	2,068.49
Money at Call and short notice	12.04	29.36	8.64
	79,968.22	**51,504.15**	**11,174.70**
Cash and Cash Equivalents at the end of the year			
Cash in hand (including foreign currency notes)	1,242.58	1,962.45	1,658.38
Balances with RBI			
a) in current account	26,670.15	22,092.01	25,886.80
b) in other deposit accounts	4,780.00	34,500.20	0.00
Balance in Banks			
a) in current account	70.37	30.64	116.03
b) in other deposit accounts	1,605.55	1,413.81	2,065.07
Money at Call and short notice with Bank	5,007.04	0.00	8,900.00
Balances with Banks outside India			
a) in current account	693.49	503.98	1,577.68
b) in other deposit accounts	10,144.91	19,453.09	11,270.83
Money at Call and short notice	2.74	12.04	29.36
	50,216.83	**79,968.22**	**51,504.15**
Difference in opening and closing cash and cash equivalents	**(29,751.39)**	**28,464.07**	**40,329.45**

Notes:

1. *Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification.*
2. *The Cash flow statement has been prepared by Indirect Method*

Standalone Summary Balance Sheet for Fiscals 2023, 2022 and 2021

(₹ in crore)

Particulars	As on March 31, 2023	As on March 31, 2022	As on March, 2021
CAPITAL & LIABILITIES			
Capital	1,245.44	1,245.44	1,129.37
Reserves and Surplus	46,727.31	42,463.36	37,282.58
Deposits	6,21,165.76	5,93,617.81	5,38,071.12
Borrowings	22,073.03	17,208.98	24,734.33
Other Liabilities and Provisions	19,289.19	17,132.46	22,209.27
Total	**7,10,500.73**	**6,71,668.05**	**6,23,426.67**
ASSETS			
Cash and Balances with Reserve Bank of India	32,692.63	58,554.61	27,545.08
Balances with Banks and Money at call and short notice	17,439.95	21,361.44	23,919.39
Investments	1,85,988.25	1,74,558.59	1,76,536.97
Loan and Advances	4,49,296.73	3,89,186.06	3,62,669.08
Fixed Assets	7,459.04	7,683.71	7,376.31
Other Assets	17,624.13	20,323.64	25,379.84
Total	**7,10,500.73**	**6,71,668.05**	**6,23,426.67**

Note:

Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification

Standalone Summary Profit and Loss Account for Fiscals 2023, 2022 and 2021

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
I. Income			
Interest earned	44,942.21	38,856.22	39,105.79
Other income	7,143.06	6,915.45	5,650.19
Total	**52,085.27**	**45,771.67**	**44,755.98**
II. Expenditure			
Interest expended	24,716.75	22,128.27	23,439.84
Operating Expenses	12,097.90	10,926.50	10,349.55
Provisions and Contingencies	9,988.92	8,772.08	7,961.91
Total	**46,803.57**	**41,826.85**	**41,751.30**
III. Profit/Loss			
Net Profit/(Loss) for the year	5,281.70	3,944.82	3,004.68
Profit/(Loss) brought forward	129.77	100.16	99.16
Less: Set off against share premium/other adjustment	0.00	(23.21)	(101.67)
Total	**5,411.47**	**4,021.77**	**3,002.17**
IV. Appropriations			
Transfer to:			
Statutory Reserves	1,320.43	986.21	751.17
Capital Reserves	0.00	147.90	47.71
Special Reserves u/s 36 (1)(viii)	191.73	108.35	0.00
Revenue Reserves	2,655.00	1,800.00	1,387.34
Staff Welfare Fund	40.00	40.00	25.00
Investment Fluctuations Reserve	0.00	0.00	464.91
Equity Dividend	1,071.08	809.54	225.87
Balance carried over to Balance Sheet	133.23	129.77	100.16
Total	**5,411.47**	**4,021.77**	**3,002.17**
Earnings per Share ₹ (Basic & diluted)	42.41	32.38	26.61

Note:

Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification

Standalone Cash Flow Statement for Fiscals 2023, 2022 and 2021

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Net Profit as per Profit and Loss Account	**5,281.70**	**3,944.82**	**3,004.68**
Adjustments for:			
Provisions and Contingencies	10,075.91	9,115.32	8,390.97
Depreciation on Fixed Assets	528.81	597.50	632.87
Interest on Capital Instrument	733.88	749.59	643.98
Loss/ (profit) on sale of land and buildings	(0.13)	(5.22)	0.39
Dividend Income from Subsidiaries and Joint ventures	(7.09)	(1.23)	0.00
Profit before working Capital Changes	**16,613.08**	**14,400.78**	**12,672.89**
Increase/Decrease in Operating Assets			
(Increase)/ Decrease in Investments	(11,921.81)	1,524.63	(15,056.38)
(Increase)/ Decrease in advances	(66,717.64)	(34,967.37)	(30,252.86)
(Increase)/ Decrease in other assets	2,699.51	5,056.20	(2,083.27)
	(75,939.94)	**(28,386.54)**	**(47,392.51)**
Increase/Decrease in Operating Liabilities			
Increase/(Decrease) in Deposits	27,547.94	55,546.71	49,521.25
Increase/(Decrease) in Borrowings(other than Capital Instruments)	4,864.06	(6,925.36)	(6,789.22)
Increase/(Decrease) in other liabilities	(1,028.28)	(5,903.46)	9,216.36
	31,383.72	**42,717.89**	**51,948.39**
Net cash generated from operations (A)	**(27,943.14)**	**28,732.13**	**17,228.77**
Cash flow from investing activities			
Dividend Income from Subsidiaries and Joint ventures	7.09	1.23	0.00
Purchase of fixed assets	(324.45)	(318.41)	(558.65)
Sale of fixed assets	20.45	18.21	15.50
Net cash generated from investing activities (B)	**(296.91)**	**(298.97)**	**(543.15)**
Cash flow from Financing activities			
Payment of dividend	(809.54)	(249.09)	0.00
Issue of AT-1 Bonds	0.00	0.00	2,000.00
Issue of Tier - 2 Bonds	0.00	0.00	2,000.00
Redemption of AT 1 Bonds	0.00	0.00	(500.00)
Redemption of Tier 2 Bonds	0.00	(600.00)	(1,000.00)
Interest on Capital Instrument	(733.88)	(782.48)	(631.94)
Equity capital issued during the period (incl share premium)	0.00	1,650.00	0.00
Amount paid to e-AB Shareholder (for fraction part)	0.00	0.00	(2.51)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Net cash generated from financing activities (C)	**(1,543.42)**	**18.43**	**1,865.55**
Cash & cash equivalents received on account of amalgamation (D)	0.00	0.00	21,750.38
Net Increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)+(D)	**(29,783.47)**	**28,451.59**	**40,301.55**
Cash and cash equivalents at the beginning of the year			
Cash in hand (including foreign currency notes)	1,962.40	1,658.28	1,006.09
Balances with Reserve Bank of India			
(a) in current Accounts	22,092.01	25,886.80	4,730.04
(b) in other deposit accounts	34,500.20	8,900.00	0.00
Balances with Banks			
(a) in current Accounts	6.18	95.08	5.35
(b) in other deposit accounts	1,386.15	2,046.43	713.36
Money at call and short notice with Banks	0.00	0.00	2,100.00
Balances with Banks outside India			
(a) in current Accounts	503.98	1,577.68	530.93
(b) in other deposit accounts	19,453.09	11,270.82	2,068.49
Money at call and short notice	12.04	29.37	8.65
	79,916.05	**51,464.46**	**11,162.91**
Cash & Cash equivalents at the end of the year			
Cash in hand (including foreign currency notes)	1,242.48	1,962.40	1,658.28
Balances with Reserve Bank of India			
(a) in current Accounts	26,670.15	22,092.01	25,886.80
(b) in other deposit accounts	4,780.00	34,500.20	0.00
Balance with Banks			
(a) in current Accounts	18.13	6.18	95.08
(b) in other deposit accounts	1,573.64	1,386.15	2,046.43
Money at Call and short notice with Banks	5,007.04	0.00	8,900.00
Balances with Banks outside India			
(a) in current Accounts	693.49	503.98	1,577.68
(b) in other deposit accounts	10,144.91	19,453.09	11,270.82
Money at call and short notice	2.74	12.04	29.37
	50,132.58	**79,916.05**	**51,464.46**
Difference in Opening and closing cash and cash equivalents	**(29,783.47)**	**28,451.59**	**40,301.55**

Notes:

1. *Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification.*
2. *The Cash flow statement has been prepared by Indirect Method*

Consolidated Summary Balance Sheet for six month periods ended September 30, 2023 and September 30, 2022

(₹ in crore)

Particulars	**As on September 30, 2023**	**As on September 30, 2022**
CAPITAL & LIABILITIES		
Capital	1,245.44	1,245.44
Reserves and Surplus	52,141.61	46,329.20
Minority Interest	27.55	25.40
Deposits	6,40,758.74	5,88,814.03
Borrowings	24,939.12	22,069.97
Other Liabilities and Provisions	22,614.35	17,307.35
Total	**7,41,726.81**	**6,75,791.39**
ASSETS		
Cash and Balances with Reserve Bank of India	29,303.76	29,119.09
Balances with Banks and Money at call and short notice	11,540.91	23,518.94
Investments	2,04,113.99	1,84,262.36
Loan and Advances	4,70,626.58	4,12,064.31
Fixed Assets	7,498.98	7,550.81
Other Assets	18,642.59	19,275.88
Total	**7,41,726.81**	**6,75,791.39**

Note:

Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification

Consolidated Summary Profit and Loss Account for six month periods ended September 30, 2023 and September 30, 2022

(₹ in crore)

Particulars	**Six month period ended on September 30, 2023**	**Six month period ended on September 30, 2022**
I. Income		
Interest earned	26,813.74	20,893.53
Other Income	4,037.10	3,718.20
Total	**30,850.84**	**24,611.73**
II. Expenditure		
Interest expended	15,348.26	11,645.94
Operating Expenses	7,016.78	5,740.13
Provisions & Contingencies	4,753.29	4,764.74
Total	**27,118.33**	**22,150.81**
III. Consolidated Profit/(loss) for the period attributable to the group	**3,732.51**	**2,460.92**
Share of earnings in Associates (net)	187.02	137.97
Consolidated Profit/(Loss) for the period before deducting minorities' interest	**3,919.53**	**2,598.89**
Less: Minority Interest	1.36	0.42
Consolidated Profit/(Loss) for the period attributable to the group	**3,918.17**	**2,598.47**
Profit/(loss) brought forward	1,365.84	1,071.77
Balance carried forward to the Balance Sheet	**5,284.01**	**3,670.24**
IV. Appropriations		
Transfer To		
Investment Fluctuation Reserve	133.11	0.00
Balance carried over to consolidated Balance Sheet	5,150.90	3,670.24
Total Appropriations	**5,284.01**	**3,670.24**
Earnings per Share ₹ (Basic & diluted)	*31.46	*20.86

Note:
** Not Annualised*

Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification

Consolidated Cash Flow Statement for six month periods ended September 30, 2023 and September 30, 2022

(₹ in crore)

Particulars	Six month period ended on September 30, 2023	Six month period ended on September 30, 2022
Net Profit as per Profit and Loss Account	3,919.53	2,598.89
Adjustments for:		
Provisions and Contingencies	4,472.20	4,984.18
Depreciation on fixed Assets	272.32	270.01
Interest on Capital Instrument	367.94	367.94
Loss/(profit) on sale of land and buildings	0.08	0.69
Income Tax paid	(205.99)	(5.45)
Operating Profit before Working Capital Changes	**8,826.08**	**8,216.26**
Increase/Decrease in Operating Assets		
(Increase)/Decrease in Investments	(15,524.08)	(8,347.98)
(Increase)/Decrease in Advances	(23,180.23)	(26,880.41)
(Increase)/Decrease in other assets	(460.33)	1,471.19
	(39,164.64)	**(33,757.20)**
Increase/Decrease in Operating Liabilities		
Increase/(Decrease) in Deposits	19,635.51	(4,756.83)
Increase/(Decrease) in Borrowings (other than capital instruments)	2,846.70	4,917.12
Increase/(Decrease)in other liabilities	(128.59)	(1,017.39)
	22,353.62	**(857.10)**
Net cash generated from Operations (A)	**(7,984.94)**	**(26,398.04)**
Cash Flow from investing activities		
Purchase of fixed assets	(324.14)	(133.21)
Sale of fixed assets	8.00	10.61
Net cash generated from Investing Activities (B)	**(316.14)**	**(122.60)**
Cash Flow from Financing activities		
Payment of Dividend	(1,071.08)	(809.54)
Net cash generated from financing activities (C)	**(1,071.08)**	**(809.54)**
Net increase/(Decrease)in cash & cash equivalents (A+B+C)	**(9,372.16)**	**(27,330.18)**
Cash and Cash Equivalents at the beginning of the year		
Cash in hand (including foreign currency notes)	1,242.58	1,962.45
Balances with RBI		
a) in current account	26,670.15	22,092.01
b) in other deposit accounts	4,780.00	34,500.20
Balance in Banks		
a) in current account	70.37	30.64
b) in other deposit accounts	1,605.55	1,413.81
Money at Call and short notice with Bank	5,007.04	0.00
Balances with Banks outside India		
a) in current account	693.49	503.98
b) in other deposit accounts	10,144.91	19,453.09
Money at Call and short notice	2.74	12.04
	50,216.83	**79,968.22**

Particulars	Six month period ended on September 30, 2023	Six month period ended on September 30, 2022
Cash and Cash Equivalents at the end of the year		
Cash in hand (including foreign currency notes)	1,403.13	1,571.71
Balances with RBI		
a) in current account	27,385.63	27,547.38
b) in other deposit accounts	515.00	0.00
Balance in Banks		
a) in current account	61.39	18.36
b) in other deposit accounts	1,606.99	1,418.38
Money at Call and short notice with Bank	1,557.14	0.00
Balances with Banks outside India		
a) in current account	1,213.04	1,513.39
b) in other deposit accounts	7,097.23	20,495.89
Money at Call and short notice	5.12	72.93
	40,844.67	**52,638.04**
Difference in opening and closing cash and cash equivalents	**(9,372.16)**	**(27,330.18)**

Notes:

1. *Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification.*
2. *The Cash flow statement has been prepared by Indirect Method*

Standalone Summary Balance Sheet for six month periods ended September 30, 2023 and September 30, 2022

(₹ in crore)

Particulars	As on September 30, 2023	As on September 30, 2022
CAPITAL & LIABILITIES		
Capital	1,245.44	1,245.44
Reserves and Surplus	50,416.40	44,925.95
Deposits	6,40,802.66	5,88,859.99
Borrowings	24,922.79	22,058.23
Other Liabilities and Provisions	21,379.43	16,166.45
Total	**7,38,766.72**	**6,73,256.06**
ASSETS		
Cash and Balances with Reserve Bank of India	29,303.74	29,119.04
Balances with Banks and Money at call and short notice	11,468.54	23,476.12
Investments	2,01,672.63	1,82,168.38
Loan and Advances	4,70,626.58	4,12,073.54
Fixed Assets	7,475.16	7,532.10
Other Assets	18,220.07	18,886.88
Total	**7,38,766.72**	**6,73,256.06**

Note:

Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification

Standalone Summary Profit and Loss Account for six month periods ended September 30, 2023 and September 30, 2022

(₹ in crore)

Particulars	Six month period ended on September 30, 2023	Six month period ended on September 30, 2022
I. Income		
Interest earned	26,792.67	20,863.56
Other income	3,702.55	3,432.74
Total	**30,495.22**	**24,296.30**
II. Expenditure		
Interest expended	15,348.97	11,645.61
Operating Expenses	6,708.87	5,457.06
Provisions and Contingencies	4,740.79	4,754.97
Total	**26,798.63**	**21,857.64**
III. Profit/Loss		
Net Profit/(Loss) for the period	3,696.59	2,438.66
Profit/(Loss) brought forward	133.23	129.77
Total	**3,829.82**	**2,568.43**
IV. Appropriations		
Transfer to:		
Investment Fluctuation Reserve	133.11	0.00
Balance carried over to Balance Sheet	3,696.71	2,568.43
Total	**3,829.82**	**2,568.43**
Earnings per Share ₹ (Basic & diluted)	*29.68	*19.58

Note:
** Not Annualised*

Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification

Standalone Cash Flow Statement for six month periods ended September 30, 2023 and September 30, 2022

(₹ in crore)

Particulars	**Six month period ended on September 30, 2023**	**Six month period ended on September 30, 2022**
Net Profit as per Profit and Loss Account	**3,696.59**	**2,438.66**
Adjustments for:		
Provisions and Contingencies	4,459.70	4,974.41
Depreciation on Fixed Assets	269.52	268.60
Interest on Capital Instrument	367.94	367.94
Loss/ (profit) on sale of land and buildings	0.07	0.69
Dividend Income from Subsidiaries and Joint Ventures	(2.63)	(7.88)
Income taxes paid	(200.00)	0.00
Profit before working Capital Changes	**8,591.19**	**8,042.42**
Increase/Decrease in Operating Assets		
(Increase)/ Decrease in Investments	(15,426.97)	(8,195.51)
(Increase)/ Decrease in advances	(23,177.45)	(26,889.64)
(Increase)/ Decrease in other assets	(395.95)	1,436.76
	(39,000.37)	**(33,648.39)**
Increase/Decrease in Operating Liabilities		
Increase/(Decrease) in Deposits	19,636.91	(4,757.82)
Increase/(Decrease) in Borrowings(other than Capital Instruments)	2,849.76	4,913.92
Increase/(Decrease) in other liabilities	(58.21)	(951.69)
	22,428.46	**(795.59)**
Net cash generated from operations (A)	**(7,980.72)**	**(26,401.56)**
Cash flow from investing activities		
Dividend Income from Subsidiaries and Joint Ventures	2.63	7.88
Purchase of fixed assets	(319.15)	(128.18)
Sale of fixed assets	8.02	10.51
Net cash generated from investing activities (B)	**(308.50)**	**(109.79)**
Cash flow from Financing activities		
Payment of dividend	(1071.08)	(809.54)
Net cash generated from financing activities (C)	**(1071.08)**	**(809.54)**
Net Increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)	**(9,360.30)**	**(27,320.89)**
Cash and cash equivalents at the beginning of the year		
Cash in hand (including foreign currency notes)	1,242.48	1,962.40
Balances with Reserve Bank of India		
a) in current account	26,670.15	22,092.01
b) in other deposit accounts	4,780.00	34,500.20
Balances with Banks		
(a) in current Accounts	18.13	6.18
(b) in other deposit accounts	1,573.64	1,386.15

Particulars	**Six month period ended on September 30, 2023**	**Six month period ended on September 30, 2022**
Money at call and short notice with Banks	5,007.04	0.00
Balances with Banks outside India		
(a) in current Accounts	693.49	503.98
(b) in other deposit accounts	10,144.91	19,453.09
Money at call and short notice	2.74	12.04
	50,132.58	**79,916.05**
Cash & Cash equivalents at the end of the year		
Cash in hand (including foreign currency notes)	1,403.11	1,571.66
Balances with Reserve Bank of India		
a) in current account	27,385.63	27,547.38
b) in other deposit accounts	515.00	0.00
Balance with Banks		
(a) in current Accounts	22.27	7.76
(b) in other deposit accounts	1,573.74	1,386.15
Money at Call and short notice with Banks	1,557.14	0.00
Balances with Banks outside India		
(a) in current Accounts	1,213.04	1,513.39
(b) in other deposit accounts	7,097.23	20,495.89
Money at call and short notice	5.12	72.93
	40,772.28	**52,595.16**
Difference in Opening and closing cash and cash equivalents	**(9,360.30)**	**(27,320.89)**

Notes:

1. *Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification.*
2. *The Cash flow statement has been prepared by Indirect Method.*

RISK FACTORS

This Placement Document contains forward-looking statements that involve risks and uncertainties. Our financial performance may differ from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. Prospective investors should carefully consider the following risk factors as well as other information included in this Placement Document prior to making any investment decision. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment.

The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. In order to obtain a complete understanding of our business, you should read this section in conjunction with the sections "Industry Overview", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Selected Statistical Information" on pages 160, 175, 95 and 122, respectively, as well as other financial information contained in this Placement Document. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise specified or as the context requires, financial information herein for Fiscal 2021, 2022 and 2023 is derived from our Audited Standalone Financial Statements and the financial information included herein as of and for the six months ended September 30, 2022 and September 30, 2023 is based on the Reviewed Financial Results.

All amounts presented in this section have been prepared in accordance with Indian GAAP. The degree to which the financial information prepared in accordance with Indian GAAP will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

The Bank prepares its financial statements in accordance with the requirements prescribed under the Third Schedule of the Banking Regulation Act, in accordance with prevailing practices within the banking industry in India and Indian GAAP, which differs in some respects from IFRS. The Financial Statements reflect applicable statutory requirements, regulatory guidelines and accounting practices in India; these requirements, guidelines and practices change from time to time. In accordance with Indian GAAP, adjustments to reflect such changes are made on a prospective basis, and financial statements for earlier periods are not restated. For the purposes of a comparative analysis in the discussion below, previous years' figures have been reclassified wherever necessary

Unless otherwise stated, references to "the Bank" or "our Bank", are to Indian Bank on a standalone basis and references to "Group" are to Indian Bank on a consolidated basis.

Risks Relating to our Business

1. ***Our business is particularly vulnerable to interest rate risk, and any volatility in interest rates could adversely affect our net interest margins, the value of our fixed income portfolio, income from treasury operations and our financial condition and results of operations.***

We largely depend on our interest earned as our primary source of revenue. Our business could be adversely impacted by a rise in generally prevailing interest rates on deposits, especially if the rise was sudden or sharp. Market interest rate changes affect the interest rates we charge on our interest-earning assets differently from the interest rates we pay on our interest-bearing liabilities and in addition, affect the value of our investments. If we are unable to increase rates charged on our loans and advances or if the volume of our interest-bearing liabilities is larger or growing faster than the volume of our interest-earning assets, an increase in interest rates could result in an increase in interest expense relative to interest earned. In the event of such increase in interest rates, our net interest margin could be adversely affected as the interest paid by us on our deposits could increase at a rate higher than the interest received by us on our advances and other investments. The requirement that we maintain a portion of our assets in fixed income government securities could also have a negative impact on our treasury income since we typically earn interest on this portion of our assets at rates that are generally less favorable than those received on our other interest-earning assets. For Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023, our Bank's net interest margin was 2.81%, 2.93%, 3.37%, 3.13% and 3.51%, respectively, while net interest income, as a percentage of our total income, was 35.00%, 36.55%, 38.83%, 37.94% and 37.53%, respectively, in such periods.

During the period between January 2020 and March 2021, the primary period of market volatility due to the outbreak of the COVID-19 pandemic, emerging markets experienced significant capital outflows from both debt and equity markets, including in India, which impacted bond yields. At the same time, the Government of India and the RBI took several steps to minimize the economic impact of the COVID-19 pandemic, including cutting statutory interest rates and providing additional liquidity measures which helped cool down interest rates. Any systemic decline in low-cost funding available to banks in the form of current and savings account deposits would adversely impact our Bank's net interest margin. In February 2018, the RBI proposed to harmonize the methodology of determining benchmark rates by linking the base rate to the MCLR. Further, in December 2018, the RBI announced the linking of new floating rate retail loans and floating rate loans to micro and small enterprises to an external benchmark. This has been applicable since October 1, 2019. From April 1, 2020, floating rate loans to medium enterprises were also linked to an external benchmark. This change in the methodology for calculating the cost of funds may lead to lower lending rates and more frequent revisions in lending rates due to the prescribed monthly review of cost of funds. This may impact the yield on our interest-earning assets, our net interest income and our net interest margin.

We are also exposed to interest rate risk through our treasury operations. Any rise in interest rates or any greater interest rate volatility could adversely affect our income from treasury operations or the value of our fixed income securities trading portfolio. Sudden or sharp and sustained increases in interest rates applicable to floating rate loans, could also result in extension of loan maturities and higher monthly instalments due from borrowers, which could result in higher rates of default in loan portfolio.

If the yield on our interest-earning assets does not increase at the same time or to the same extent as our cost of funds, or if our cost of funds does not decline at the same time or to the same extent as the decrease in yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. Any systemic decline in low cost funding available to banks in the form of current and savings account deposits would adversely impact our net interest margin. A slower growth in low cost deposits compared to total deposits would result in an increase in the cost of funds and could adversely impact our net interest margin if we are not able to pass on the increase to borrowers. Revisions in deposit interest rates, or introduction of higher interest rates, by banks with whom we compete may also lead to revisions in our deposit rates to remain competitive and this could adversely impact our cost of funds.

2. An increase in our portfolio of NPAs or provisioning requirements mandated by the RBI could adversely affect our business, financial condition and results of operations.

As a result of widespread economic challenges faced by the Indian economy in general, and the corporate sector in particular, as well as changes to RBI policies and guidelines related to non-performing and restructured loans and other changes to the law affecting non-performing and restructured loans, the non-performing loans and provisions of a number of Indian banks, including the Bank, increased significantly in Fiscal 2021 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023. As of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and September 30, 2023, our Bank's gross NPAs were ₹ 38,455.35 crore, ₹ 35,214.25 crore, ₹ 28,179.52 crore, ₹ 31,958.82 crore and ₹ 24,487.53 crore, respectively, representing 9.85%, 8.47%, 5.95%, 7.30% and 4.97%, respectively, of our gross customer assets as of such dates. As of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and September 30, 2023, net NPAs were ₹ 12,271.13 crore, ₹ 8,848.64 crore, ₹ 4,043.06 crore, ₹ 6,174.13 crore and ₹ 2,825.85 crore, respectively, representing 3.37%, 2.27%, 0.90%. 1.50% and 0.60%, respectively, of our net customer assets as of such dates.

In the future, our NPAs may continue to increase and any significant increase in our NPAs may have a material adverse effect on our financial condition and results of operations. The increase in our NPAs may be due to several factors, including increased competition, macroeconomic conditions, high levels of debt involved in financing of projects, slow industrial and business growth, policies formulated by the GoI and/ or the regulatory authorities, and significant borrowings by companies in India at relatively high interest rates.

There can be no assurance that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. Our retail loan portfolio has grown over the years, but there is limited data on historical loss ratios in retail loans, especially in the event of an economic slowdown or adverse macroeconomic factors. Further, global economic slowdown, inconsistent industrial growth and the impact of global and Indian economic conditions on equity and debt markets may also adversely affect our corporate loan portfolio.

A charge to our profit and loss account creates provisions for NPAs and are subject to minimum provision requirements linked to ageing of NPAs. We also consider our internal estimate for loan losses and risks inherent in the credit portfolio when deciding on the appropriate level of provisions in addition to the relevant regulatory minimum provision. The determination of a suitable level of loan losses and provisions involves a degree of subjectivity and requires that we make estimates of current credit risks and future trends, all of which may be subject to material changes. Any incorrect estimation of risk may result in our provisions not being adequate to cover any further increase in the amount of NPAs or any further deterioration in our NPA portfolio.

If there is any deterioration in the quality of our security or further ageing of the assets after being classified as NPAs, an increase in provisions will be required. This increase in provisions may adversely impact our financial performance. While we have already made provisions for NPAs, there can be no assurance that the RBI will not further increase provisioning requirements in the future. Additionally, the requirements of provisioning prescribed by the RBI may differ from our internal provisioning requirements and accordingly, we may be compulsorily required to comply with the RBI requirements. Our Bank's provision coverage ratio for Fiscal 2021, 2022 and 2023 for six month ended September 30, 2022 and September 30, 2023, was 82.12%, 87.38%, 93.82%, 91.08% and 95.64%, respectively. The surplus from provisioning under the provision coverage ratio as against the provisioning required under the prudential provisioning norms is required to be segregated into an account termed counter cyclical provisioning buffer. Any future increases in provisions mandated by the RBI or other regulatory changes could lead to an adverse impact on our business, future financial performance and the trading price of the Equity Shares.

In addition to the debt recovery and security enforcement mechanisms available to lenders under the DRT Act and the SARFAESI Act, the RBI provides for various mechanisms that may be adopted by banks to deal with stressed assets. However, there can be no assurance that these regulatory measures implemented by the GoI and the RBI will have an encouraging impact on our efforts to recover NPAs. Any failure to recover the expected value of collateral would expose us to potential loss. We along with other banks in India are also required to share data with each other on certain categories of special mention accounts and credit information relating to the same, set up joint lenders' forums, monitor the asset quality closely and formulate action plans for resolution of these accounts. Any failure to do so may result in accelerated provisioning for such cases which may result in initiation of supervisory actions by the RBI in the event we do not comply with the corrective action plan decisions. Even if an accelerated provision were made, there is no reassurance that we will be able to recover our NPAs. As on date of this Placement Document, the Bank is involved in 234 insolvency proceedings with the aggregate amount involved being ₹23,408.42 crore which are currently pending. Accordingly, any significant increase in our NPAs may have a material adverse effect on our financial condition and results of operations.

3. ***Our business and financial performance may be adversely affected by an increase in level of restructured loans in our portfolio and inadequate performance of our restructured loans.***

Restructured standard loans are a part of our standard assets. As of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and September 30, 2023, the Bank's gross restructured assets as a proportion of gross advance were 2.68%, 6.09%, 4.40%, 5.72% and 3.91%, respectively. As a result of slowing economic activity and the limited ability of corporations to access capital due to volatility in global markets, there has been an increase in restructured loans in the banking system, including within our loan portfolio.

We restructure assets based on a borrower's potential to restore its financial health. However, in case a borrower fails to restore its financial viability and honor its loan servicing commitments to us, such assets classified as restructured may be classified as delinquent or non-performing. There can be no assurance that the debt restructuring criteria approved by us will be adequate or successful and that borrowers will ultimately be able to meet their obligations under restructured loans.

The RBI has permitted lending institutions including our Bank to offer a limited window to individual borrowers and small businesses to implement resolution plans in respect of their credit exposures while classifying the same as standard upon implementation of the resolution plan subject to certain conditions. Our profitability is also adversely affected, as a result of such provisioning requirements under the applicable RBI guidelines. The combination of changes in regulations regarding restructured loans, provisioning, and any substantial increase in the level of restructured assets and the failure of these structured loans to perform as expected could materially adversely affect our business, future financial performance and the trading price of the Equity Shares. As of March 31, 2023, the Bank had outstanding standard restructured accounts of ₹ 15,165.89 crore with provision on these accounts of ₹ 3,250.90 crore. Our profitability is also adversely affected, as a result of such provisioning requirements under the applicable RBI guidelines.

The combination of changes in regulations regarding restructured loans, provisioning, and any substantial increase in the level of restructured assets and the failure of these structured loans to perform as expected could materially adversely affect our business, future financial performance and the trading price of the Equity Shares.

4. In the course of our operations, we are exposed to various categories of borrowers, depositors and industry sectors, and a default by any large borrower, premature withdrawal of deposits or a deterioration in the performance of any of these industry sectors in which we have significant exposure would adversely affect our results of operations, the quality of our portfolio and financial condition.

We conduct business with certain borrowers who have highly leveraged balance sheets and any default by any of these borrowers would have a significant impact on our profitability. On June 3, 2019, the RBI released the Guidelines on Large Exposures Framework ("**LEF**") applicable to all scheduled commercial banks (other than regional rural banks) with a view to capture exposures and concentration risks more accurately and to align the previous guidelines and instructions on Large Exposures Framework with international norms, which superseded the previous circulars on large exposure framework. For further information, see "*Regulations and Policies*" on page 223.

As on September 30, 2023 (a) the Bank's ten largest group borrowers amounted to ₹ 56,139.85 crore, representing 124.86% of the Bank's Tier I Capital as on March 31, 2023, which is ₹ 44,964.44 crore; (b) the Bank's exposure to the single largest group borrower as per Large Exposures Framework was ₹ 8,848.27 crore representing 19.68% of the Bank's Tier I capital; and (c) the Bank's exposure as per Large Exposure Framework to its ten largest individual borrowers was ₹ 55,176.46 crore, representing 122.71% of the Bank's Tier I Capital. For further information, see *"Selected Statistical Information"* on page 122. If any of such borrowers' default or become non-performing, our exposure to credit risk would increase, and our net profits would decline and, due to the scale of the exposures, our ability to meet capital requirements could be challenging. We cannot assure you that these borrowers will continue to honour their commitments and that there will be no defaults in future and further, that there will not be any delay in payments of interest and/ or principal from these borrowers.

In addition, we offer loans to a wide range of industries and businesses. As of September 30, 2023, our largest fund based exposures were to NBFC, Other Infrastructure and Power sectors at ₹ 66,365.94 crore, ₹ 26,309.06 crore and ₹ 25,601.37 crore, respectively, and representing 11.16%, 4.42% and 4.31%, respectively, of our total fund based exposure as on such date. Any financial difficulties experienced by our customers or by particular sectors of the Indian economy to which we have historically had and continue to have significant exposure, could significantly increase our NPA levels and materially and adversely affect our business, future financial performance and the price of the Equity Shares.

The ability of borrowers to service their debt obligations may be adversely impacted by any significant deterioration in the performance of a particular sector, driven by events outside our control, such as regulatory actions or policy announcements by the GoI or state government authorities. As a result, we may experience increased defaults, which may adversely affect our business and future financial performance.

Total deposits of the Bank's ten largest depositors as of September 30, 2023, was ₹ 28,359.81 crore. As of September 30, 2023, the percentage of deposits of the Bank's ten largest depositors to its total deposits was 4.43%. We cannot assure you that there will not be any untimely withdrawal or non-renewal of deposits from these depositors. In the event of such withdrawal or non-renewal, our business, results of operations and financial conditions may be adversely affected.

5. We may experience delays in enforcing our collateral when borrowers default on their obligations or the value of the collateral provided by borrowers against advances may decrease, exposing us to a potential loss.

The value of the assets that have been pledged to us as collateral could decline or significantly fluctuate due to factors beyond our control, including deterioration in global and regional economic conditions or of asset values, or as a result of adverse changes in the credit quality of our borrowers and counterparties. As of September 30, 2023, 81.32% of our Bank's net advances were secured, as per the RBI guidelines by collateral, including property, real estate assets, plant, equipment, gold ornaments, current assets and pledges or charges on fixed assets, inventory receivables, bank deposits or financial assets such as marketable securities and guarantees provided by our borrowers. In the event of a decline in any of these, some of our loans may exceed the value of their underlying collateral. Changes in asset prices may cause the value of our collateral to decline. While we factor in any reduction in value to an extent, it may not be sufficient if the value of the collateral reduces substantially. This is particularly applicable in situations where the advances are secured by highly depreciating fixed assets such as, vehicles and agricultural equipment.

We may not be able to realize the full value of the collateral, in the event our borrowers default on the repayment of loans, due to various reasons, including a possible decline in the realizable value of the collateral, defective title or pledge of faulty items as security, prolonged legal proceedings and fraudulent actions by borrowers, or we may not be able to foreclose on collateral at all. The SARFAESI Act, the Recovery of Debts Due to Banks and Financial

Institutions Act, 1993, Insolvency and Bankruptcy Code, 2016, together with the Banking Regulation (Amendment) Ordinance, 2017 promulgated an ordinance dated May 4, 2017 amending the Banking Regulation Act, through which the RBI has been given extensive powers for the recovery of bad loans and resolution of stressed assets. The RBI has also strengthened the ability of lenders to recover NPAs by granting lenders greater rights to enforce security and recover amounts owed from secured borrowers. While we believe that the SARFAESI Act has contributed to its enforcement efforts, there can be no assurance that the legislation will continue to be effective in resolving NPAs. A failure to recover the expected value of collateral security could expose us to potential losses and may adversely affect our financial condition.

We may not be able to realize the full value of the collateral, due to, among other things, stock market volatility, changes in economic policies of the central government, obstacles and delays in legal proceedings, borrowers and guarantors not being traceable, our records of borrowers' and guarantors addresses being ambiguous or outdated, defects in the perfection of collateral, and fraudulent transfers by borrowers. In the event that a specialized regulatory agency gains jurisdiction over the borrower, creditor action can be further delayed. Pursuant to RBI prudential guidelines on restructuring of advances by banks, we may not be allowed to initiate recovery proceedings against a corporate borrower, where the borrower's aggregate total debt is ₹ 1,500 crore or more and 60.00% of the creditors by number and at least 75.00% of the creditors by value decide to restructure their advances. In such a situation, we are restricted to a restructuring process only as approved by the majority lenders. If we own 20.00% or less of the debt of a borrower, we could be forced to agree to an extended restructuring of debt which may not be in our interests. Further, considering the impact of the COVID-19 pandemic and to mitigate the impact on the ultimate borrowers, the RBI *vide* a notification dated August 6, 2020, decided to provide a window under the Revised Framework to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard, subject to specified conditions.

Further, the value of collateral may be less than we expect or may decline. The fluctuations in the prices of gold and real estate may impact our recovery amount during the enforcement of security resulting in write-offs in our loan amount. Any decline in the value of the collateral securing our loans, any inability to obtain additional collateral or our inability to realize the value of collateral may require us to increase our write-offs for credit and other losses. In such a scenario our losses will increase and our net profit will decline. We may be required to increase our provision for loan losses in case of any decline in the value of the security which could impair our ability to realize the secured assets upon any foreclosure. The amounts we receive upon sale of the secured assets, in the event of a default with respect to any of these loans, may be insufficient to recover the outstanding principal and interest on the loan. Our profitability could be adversely affected, if we are required to re-value the assets securing a loan to satisfy the debt during a period of reduced asset values or to increase our allowance for loan losses, and could have a material adverse effect on our business, financial condition, results of operations and prospects.

6. ***Indian accounting principles differ from those which prospective investors may be familiar with in other countries. In addition, the effects of the planned convergence with, and adoption of, IFRS are uncertain.***

The Bank's financial statements as of and for the years ended March 31, 2021, 2022 and 2023 and as of and for the six months ended September 30, 2022 and September 30, 2023, have been prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of other accounting principles, such as U.S. GAAP or IFRS, on the financial data included in this Placement Document, nor have we provided a reconciliation of our financial statements to those prepared pursuant to U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in several respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Persons not familiar with Indian accounting practices should, accordingly, consult their own professional advisors before relying on the financial disclosures presented in this Placement Document

In addition, there may be less publicly available information about Indian body corporates, such as the Bank, than is regularly made available by body corporates/ public companies in such other countries. Body corporates in India, including the Bank, have been required to prepare financial statements under Ind AS according to the implementation roadmap drawn up by the Indian Ministry of Corporate Affairs. The Bank may be adversely affected by this transition.

The Ministry of Corporate Affairs, in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS for scheduled commercial banks, insurers, insurance companies and non-banking financial companies. This roadmap requires all financial institutions (including the Bank) to prepare Ind AS-based financial statements for the accounting periods beginning from April 1, 2018 onwards with comparatives for the periods ending March 31, 2018 and thereafter. However, the RBI through a circular dated March 22, 2019 has deferred the implementation of Ind AS for scheduled commercial banks, insurers, insurance companies and non-banking financial companies until further notice. The RBI through a circular dated February 11, 2016 required banks to submit proforma Ind AS financial statements to the RBI from the half-year ended September 30, 2016. In addition, banks are required to disclose in the annual report, the strategy for Ind AS implementation, including the progress made in this regard from Fiscal 2017 onwards.

Moreover, although we currently have an internal control framework in place in order to report our financial statements under Indian GAAP, we will have to modify our internal control framework and adopt new internal controls in order to report under Ind AS. These new internal controls will require, amongst others, a transition to more model-based evaluation of certain items, as well as staff that are adequately knowledgeable with Ind AS. There is no guarantee that we will be able to implement effective internal controls under Ind AS in a timely manner or at all and any failure to do so could materially adversely affect our financial condition and results of operations.

7. ***Any increase in provisioning norms and delays in resolution of stressed assets could adversely affect our business, results of operations and financial condition.***

The RBI has vide its circular dated May 22, 2014, set up the Central Repository of Information on Large Credits ("**CRILC**") to collect, store and disseminate data on all borrowers' credit exposures including 'special mention accounts' (SMA 0, 1 and 2) having aggregate fund-based and non-fund based exposure of ₹ 5 crore and above. Further, in terms of RBI circular dated June 7, 2019, all banks are required to report to CRILC, on a monthly basis, exposures of individuals and entities having exposure (both fund and non-fund based) of more than ₹ 5 crore. All banks are also required to report to CRILC, on a weekly basis for all borrower entities in default, having aggregate exposure of more than ₹ 5 crore. In addition, all banks are required to report to CRILC the classification of an account to 'special mention account' in respect of borrower entities having aggregate exposure of more than ₹ 5 crore. Any non-submission of or incorrect reporting in these returns attracts penalties as specified in the Banking Regulation Act. All banks are required to put in place Board approved policies for resolution of stressed assets, including the timelines for resolution. As soon as there is a default in the borrower entity's account with any lender, all lenders singly or jointly shall initiate steps to cure the default. The resolution plan may involve any actions / plans / reorganization including, but not limited to, regularization of the account by payment of all over dues by the borrower entity, sale of the exposures to other entities / investors, change in ownership, or restructuring. A resolution plan shall only be implemented if the borrower is no longer in default with any of the lenders. Further, where resolution plans involve structure / change in ownership of accounts where aggregate exposure of lenders is in excess of ₹ 100 crore and above will require independent credit evaluation of the residual debt from one or more credit rating agencies (depending on the value of the exposure). If a resolution plan for large accounts (₹ 200 crore and above) is not implemented within the time period prescribed in the circular, the lenders can file an insolvency application, singly or jointly under the Insolvency and Bankruptcy Code, 2016. The failure of these borrowers to perform as expected or a significant increase in the level of restructured loans in our portfolio could materially and adversely affect our business, results of operations and financial condition. In addition to the debt recovery and security enforcement mechanisms available to lenders under the Recovery of Debts Due to Banks and Financial Institutions Act 1993, and the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002, the RBI provides various mechanisms that may be adopted by banks to deal with stressed assets.

RBI's framework on the dynamic loan loss provisioning proposes to replace existing general provisioning norms and recommends that banks make provisions on their loan books every year based on their historical loss experience in various categories of loans. In years where the specific provision is higher than the computed dynamic provision requirement, the existing dynamic provision balance can be drawn down to the extent of the difference, subject to a minimum specified level of dynamic provision balance being retained. Any further increase by the RBI of the provisioning requirements may adversely affect our business, results of operations and financial condition.

8. ***Our primary source of funding is in the form of deposits, and we may not be able to secure longer-term funding for our operations when we need it or at a cost that is favorable or at a competitive cost.***

We meet most of our funding requirements through short-term and medium-term funding sources, primarily in the form of customer deposits. A portion of our assets have long-term maturities, which sometimes causes funding mismatches. As of September 30, 2023, 81.72% of our Bank's term deposits had a maturity of up to 12 months and 14.14% of the term deposits had a maturity of over 12 months to 36 months while 4.14% of term deposits had a residual maturity of more than 36 months. In addition, as of September 30, 2023, 42.63% of the non-revolving loans had a maturity of up to 12 months and 21.89% of the non-revolving loans had a maturity of over 12 to 36 months while 35.48% of the non-revolving loans had a residual maturity of more than 36 months. Failure to obtain our primary sources of funding or replacing them with fresh borrowings or deposits may materially and adversely affect our business, financial condition and results of operations.

A substantial portion of our customer term deposits has been a stable source of funding. We have traditionally maintained high CASA deposits due to our large retail customer base spread across India. As of September 30, 2023, the share of CASA deposit was 40.11% of the Bank's total deposits. Any decline in CASA share on total deposit could adversely impact profitability of the Bank. However, our liquidity position will also be adversely affected if a substantial number of our depositors do not roll over term deposits upon maturity. Though retail deposits constitute a significant portion of our deposit base, we also accept high value deposits depending on the funding requirements. Accordingly, we may be required to seek more expensive sources of funding to finance our operations, which would result in a decline in our profits and have a material adverse effect on our business, financial condition and results of operations.

Our other sources of funding are primarily market borrowings such as certificates of deposit, interbank term deposits, repos, collateralized borrowing and lending obligation borrowings and refinances. Any failure to obtain these sources of funding or replace them with other deposits or borrowings at competitive rates may materially and adversely affect our business, financial condition and results of operations. Interest rate fluctuations affect our cost of funds, and as a result, we are exposed to the risk of reduction in spreads, which is the difference between the returns that we earn on our advances and investments and the amounts that we must pay to fund them, on account of changing interest rates. In addition, if we are unable to re-invest the proceeds at similar interest rates, we will also face pre-payment risk on our loans, which may result in losing future interest and reduced cash flow. We may not be able to collect prepayment charges for certain products. We are also not permitted by the extant regulatory guidelines to charge foreclosure charges or prepayment penalties on all floating-rate housing loans to individual borrowers.

Any downgrade or potential downgrade in our credit rating would negatively impact the pricing on our issuances of debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital and funding on a competitive basis.

9. Our investment portfolio comprises largely of government securities that may limit our ability to deploy funds in higher yield investments.

As of September 30, 2023, government securities represented 87.75% of our domestic investment portfolio, respectively, and comprised 27.88% of our Bank's deposits. We earn interest on such government securities at rates which are less favorable than those which we typically receive in respect of our retail and corporate loan portfolio, and this adversely impacts our net interest income and net interest margin. In addition, the market and accounting value of such securities could be adversely affected by overall rising interest rates.

Although many of these government securities are short-term in nature, the market value of our holdings could decrease if interest rates increase. In such cases, we may have to choose between liquidating our investments and incurring losses, or holding the securities and potentially being required to recognize an accounting loss upon marking to market the value of such investments, and either outcome may adversely impact our financial condition.

10. A portion of our income is derived from non-banking activities and fee-based services. Our financial performance may be materially and adversely affected by an inability to generate and sustain such income.

Fee based income increased from ₹ 2,367.58 crore in Fiscal 2021 to ₹ 2,969.47 crore in Fiscal 2023 and was ₹ 1,350.83 crore and ₹ 1,476.38 crore in the six months ended September 30, 2022 and September 30, 2023, respectively. We generated commission, exchange and brokerage income of ₹ 766.96 crore, ₹ 806.11 crore, ₹ 958.46 crore in Fiscal 2021, 2022 and 2023 and ₹ 413.02 crore and ₹ 441.12 crore six months ended September 30, 2022 and September 30, 2023, respectively which represented 1.68%, 1.76%, 1.84%, 1.70% and 1.45%, respectively of our total income in such periods. Our non-banking activities through our subsidiaries, associates and joint ventures, mainly include corporate agency services to certain insurance companies for distribution of life, general and health insurance products, and certain mutual fund distribution and asset management services.

We earn fee-based income from corporate agency services, which include marketing and distribution of insurance products. We also earn fee-based income from our foreign exchange and treasury operations business. As part of our foreign exchange and treasury operations business, we may from time to time hold assets on our balance sheet which may subject us to market risk and credit risk.

There can be no assurance that we will be able to sustain current levels of income from, or effectively manage the risks associated with, these businesses in the future.

We intend to focus on increasing our fee-based income by focusing on bancassurance, cross-selling of mutual fund products, executor, trustee and taxation related services, syndication of loans, leasing of lockers, GoI business, letters of credit and bank guarantees (non-fund based business), fee and processing charges from loan and advances, foreign exchange business and credit and debit card business. New initiatives, products and services entail a number of risks and challenges, including risks relating to execution, the failure to identify new segments, the inability to attract customers and the inability to make competitive offerings. If we are unable to successfully diversify our products and services while managing the related risks and challenges, returns on such products and services may be less than anticipated, which may materially and adversely affect our business, financial condition and results of operations.

11. Our business and financial performance are dependent on maintaining and building a successful branch network. Any failure to maintain and increase our coverage will adversely affect our growth.

We have a large and diverse branch network across India and other jurisdictions. As of September 30, 2023, our distribution network included 5,978 branches across 28 States and 6 Union Territories in India.

In Fiscal 2023 and during the six months ended September 30, 2023, we added 87 and 38 new branches, respectively to our network in India. Our newly opened branches may not be profitable immediately upon their opening or may take time to break even. In the event of a delay in achieving break even by the newly opened branches within a reasonable period as envisaged by us, our profitability may be affected. Our branch expansion plans may have an adverse effect on the capital outlay which in turn may adversely affect our financial condition and results of operations. There will also be increased expenditure as a result of our strategy to expand into new geographies, including those planned for our branch network expansion, and newer businesses, such as retail assets and, where our brand is not well known in the market. As a consequence of our large and diverse branch network, we may be subject to additional risks inherent with an extensive network, including but not limited to higher technology costs, upgrading, expanding and securing our technology platform in such branches, operational risks including integration of internal controls and procedures, compliance with KYC, AML and other regulatory norms, ensuring customer satisfaction, recruiting, training and retaining skilled personnel, failure to manage third-party service providers in relation to any outsourced services and difficulties in the integration of new branches with our existing branch network. Any of these reasons may result in our failure to manage a large branch presence, which may materially and adversely affect our brand, reputation, financial condition and result of operations.

Further, as of September 30, 2023, our distribution network also included three branches outside India, one branch in Singapore and two branches in Sri Lanka at Colombo and Jaffna, and one IFSC Banking United in GIFT city, Gandhinagar Gujarat. We also have correspondent arrangements with various banks across the globe. We are therefore subject to additional risks related to complying with financial services laws and regulations and regulatory and enforcement authorities in the jurisdictions in which we operate. In addition, we also face risks related to economic and political environment challenges, restrictions on the import and export of certain intermediates, banking regulations, technologies and multiple and possibly overlapping tax structures. Any failure to comply with applicable regulations in various jurisdictions, including unauthorized actions by employees, representatives, agents and third parties, suspected or perceived failures and media reports, and future inquiries or investigations by regulatory and enforcement authorities, may result in regulatory action including financial penalties and restrictions on or suspension of the related business operations. We may also face difficulties integrating new facilities in different countries into our existing operations, as well as integrating employees that we hire in different countries into our existing corporate culture or comply with unfamiliar laws and regulations. In addition, we face competition from banks in other countries that may have more experience and resources in those countries or in international operations generally. We remain a small-size operator in foreign markets where we are currently present and many of our competitors have much greater resources. If we do not effectively manage our foreign operations, our results of operations may be adversely affected.

12. Any downgrade of our debt ratings could adversely affect our business.

As of the date of this Placement Document, our outstanding debt are mostly domestic and we have ratings from various domestic agencies such as CRISIL, CARE, India Ratings and Research and Brickwork. For our Additional Tier-I bonds, we have been granted a rating of AA+/ Stable by CRISIL and CARE. For our Tier II bonds a rating of AAA/stable by CARE, CRISIL and Brickwork and AA+/Stable by India Ratings & Research. There can be no assurance that these ratings will not be revised or changed by the above rating agencies due to various factors. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis, which may adversely affect our profitability and future growth.

13. Further consolidation between the Bank and other public sector banks could be mandated by the GoI, which could lead to an increase in the Bank's operational inefficiencies in the short-term and adversely affect its business, financial condition and results of operations.

As NPA levels have risen significantly over the years, the GoI and the RBI have undertaken various initiatives to monitor such defaults and strengthen the risk profile of public sector banks. For example, with effect from April 1, 2020, Allahabad Bank amalgamated into our Bank pursuant to the Government's approved scheme of amalgamation of Allahabad Bank into Indian Bank notified on March 4, 2020, under the Alternate Mechanism. This subjected the Bank to various risks associated with the amalgamation, including, but not limited to, the risk that the Bank may not be successfully integrate Allahabad Bank into its operations, that the costs incurred by the Bank in connection with the amalgamation and the subsequent integration efforts may not be fully recovered, or that the Bank may fail to generate the synergies that it expects to derive from the amalgamation. While we have been able to successfully integrate the operations of Allahabad Bank with our Bank pursuant to our amalgamation, we cannot assure you that we will be able to successfully integrate any new bank in the event, we are mandated by the GoI.

Moreover, the GoI could in the future require the Bank to undergo additional mergers and amalgamations with other public sector banks and expose the Bank to additional risks. The Bank's subsidiaries may also undertake mergers, acquisitions and takeovers in India or internationally. Mergers and acquisitions by its subsidiaries could lead to reduction in the Bank's shareholding in such subsidiaries (including to below majority ownership in certain subsidiaries), and under applicable law that may require it to reduce the Bank's shareholding to 30.00% or less, unless the Bank receives regulatory and governmental approval to maintain a higher level of shareholding, which may be subject to various conditions including divestment to the required level of 30.0% within a specified timeframe.

Any future divestments, acquisitions or mergers or takeovers, whether by the Bank or its subsidiaries, may involve a number of risks, including the possibility of a deterioration of asset quality, quality of business and business operations, financial impact of employee related liabilities, diversion of its management's attention required to integrate the acquired business and the failure to retain key acquired personnel and clients, leverage synergies or rationalize operations, or develop the skills required for new businesses and markets, or unknown and known liabilities including any ongoing litigation, claims or disputes concerning such acquisition, merger, its shareholders, share capital or its legal and regulatory compliance obligations or practices, some or all of which could have an adverse effect on the Bank's business or that of its subsidiaries.

14. ***Non-compliance with RBI inspection/ observations may have a material adverse effect on our business, financial condition or results of operation. Any inadequacy in complying with the regulatory requirements and standards specified by regulatory authorities in the foreign jurisdictions in which the Bank operates may attract penalties or other punitive action against the Bank.***

We are subject to periodic inspections by RBI under the Banking Regulation Act. During the course of assessment, the RBI advises issues related to various risk and regulatory non-compliances, and during such inspections RBI has in the past made certain observations regarding our business and operations. While we have undertaken steps to comply with these observations and have informed RBI regarding the status of our compliance, there can be no assurance that RBI will consider such steps to be adequate and treat the observations as being duly complied with. In the event we are not able to comply with the observations made by the RBI, we could be subject to supervisory actions which may have a material adverse effect on our reputation, financial condition and results of operations.

The international branches of the Bank are required to ensure compliance with applicable regulatory requirements and standards applicable to such operations in the relevant jurisdiction. These requirements include monitoring systems and controls, risk management infrastructure and processes and other related regulatory requirements. The failure to introduce any such measures, infrastructure or processes in a timely manner may lead to regulatory action including potential penalties and other punitive measures. Our branches in Colombo and Jaffna, Sri Lanka, and our branch in Singapore are subject to inspections by the Central Bank of Sri Lanka and Monetary Authority of Singapore, respectively. In the past the Monetary Authority of Singapore had imposed a fine of SG$ 350,000 for breaches of regulations in relation to prevention of money laundering and terrorism financing. Any adverse actions in the future by applicable regulatory authorities could have a material adverse effect on our business, financial condition or results of operation.

15. ***COVID-19 had an adverse effect on our business, financial condition, results of operations and cash flows.***

The COVID-19 pandemic impacted, most countries, including India, and resulted in substantial volatility in global financial markets, increased unemployment and operational challenges, such as the temporary closures of businesses, and lock-down directives which significantly slowed down economic activity. The Government of India initiated a nationwide lockdown from March 25, 2020 for three weeks on all services except for essential services (which included bank branches and ATMs), which was extended to May 31, 2020. Although the nationwide lockdown was lifted on June 1, 2020, restrictions on non-essential activities and travel were imposed until August 31, 2020 in multiple states across specific districts that were witnessing increases in COVID-19 cases. On September 1, 2020, the Government of India notified all states to allow economic activities to function normally while continuing with restrictions only in containment zones. However, second wave of the COVID-19 pandemic in April 2021 and May 2021 in India caused significant strain on the health infrastructure, resulting in numerous states announcing lockdowns or other restrictions during that period.

The severe economic downturn in the first two quarters of Fiscal 2021 did not result in a material increase in our non–performing assets ("**NPAs**") due to the RBI's 'COVID-19 Regulatory Packages', which were announced by the RBI on March 27, 2020, April 17, 2020 and May 23, 2020 (collectively, the "**COVID-19 Regulatory Packages**") and certain orders passed by the Supreme Court of India. Pursuant to the COVID-19 Regulatory Packages, lending institutions, including our Bank, were permitted to grant a moratorium of six months on the payment of all instalments and interest on term loans (including credit card dues) and working capital facilities falling due between March 1, 2020 and August 31, 2020. The moratorium period, wherever granted, in respect of term loans was excluded by the lending institution from the number of days past-due for the purpose of asset classification under the RBI's Income Recognition and Asset Classification norms in respect of all accounts classified as standard or as Special Mention Accounts ("**SMAs**") from February 29, 2020. Further, banks were allowed to convert the accumulated interest for the deferment period from March 1, 2020 to August 31, 2020 on working capital facilities into a funded interest term loan that will be repayable by March 31, 2021. The RBI's circulars in relation to the moratorium required us to make provisions of up to 10.00% on loans that are subject to the moratorium and that were overdue but standard as at February 29, 2020. The Bank, in accordance with the RBI norms, made available a moratorium to its borrowers until August 31, 2020.

The Supreme Court of India, *vide* an interim order dated September 3, 2020, directed the banks that accounts that were not declared as NPAs as at August 31, 2020 shall not be declared as NPAs until further orders. Pursuant to the order, which was vacated on March 23, 2021, we did not classify any borrower account as an NPA that has not been declared an NPA as at August 31, 2020, as per the RBI's prudential norms on income recognition, asset classification, provisioning and other related matters after August 31, 2020 up to March 23, 2021. The Supreme Court of India in *Small Scale Industrial Manufactures Associate (Regd.) vs Union of India and others* Writ Petition (Civil) No. 476 of 2020 under Art 32 of the Constitution of India *vide* a judgment dated March 23, 2021 directed that the interim order granted on September 3, 2020 to not declare the accounts of borrowers as NPAs stands vacated. Since the date of the judgment on March 23, 2021, our Bank initiated classifying overdue accounts as NPAs. Additionally, the Supreme Court has directed that there shall not be any charge of interest on interest/ compound interest/ penal interest for the period during the Moratorium and any amount already recovered by way of interest on interest/ compound interest/ penal interest shall be refunded to the respective borrowers and to be given credit/adjusted in the next instalment of the loan account.

Subsequent to the Supreme Court decision, the RBI issued a circular on April 7, 2021 instructing financial institutions to immediately put in place a board of directors' approved policy for refunding/adjusting the interest on interest and directing the Indian Bank's Association ("**IBA**") to formulate and finalise the methodology for calculation of the amount to be refunded/adjusted for different facilities in consultation with other industry participants/bodies, which shall be adopted by all lending institutions in order to ensure that the above judgement is implemented uniformly in letter and spirit by all lending institutions. Accordingly, a committee of CFOs/representatives of banks, FIs, NBFCs, FICCI, ICAI, and the credit card industry was formed, and the committee has formulated the uniform methodology to be adopted for the refunding of interest on interest.

On August 6, 2020, the RBI issued a circular permitting lenders to implement a resolution plan, along with asset classification benefits, for eligible corporate and individual borrower segments ("**Resolution Framework - 1.0**"). Lenders were required to ensure that the resolution facility is provided only to borrowers impacted by COVID-19. The resolution facility was applicable for accounts classified as standard and not in default for more than 30 days as at March 1, 2020. The resolution plan was required to be finalised by December 31, 2020 and implemented within 180 days from the date of invocation. The restructuring of loans was also allowed for micro, small and medium enterprises ("**MSME**s"). The RBI *vide* a circular dated September 7, 2020, issued certain financial parameters to be mandatorily considered by lenders while finalising the resolution plan in respect of eligible borrowers.

COVID-19 and the lockdowns adversely affected our business, financial condition, results of operations and cash flows. Due to the spread of COVID-19 and the consequent lockdowns, operations at a few of our branches were temporarily impacted; some of our employees were infected with COVID-19, which resulted in some deaths. There was also a decrease in collections on loan repayments (which was also due to the moratorium), a decrease of disbursements of loans and a decrease in the rate of growth of our deposits. There were delays and defaults associated with the collection of payments from customers due to the COVID-19-induced economic slowdown, which adversely affected our Bank's cash flows in Fiscal 2021.

16. The Bank may not be able to meet the minimum public shareholding within the prescribed timelines, which could expose the Bank to penalties and other regulatory enforcement actions.

Pursuant to Section 19A of the Securities Contract (Regulations) Rules, 1957, as amended ("**SCRR**"), all listed companies are required to maintain a minimum public shareholding of at least 25%. Every listed public sector company whose public shareholding was below 25% at any time after the commencement of the Securities Contract (Regulations) (Second Amendment) Rules, 2018 is required to increase its public shareholding to at least 25% within a period of three years from the date of commencement of the amendment i.e., August 3, 2018. The SCRR also provides that if the public shareholding in a listed public sector company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of two years from the date of such fall in the manner prescribed by the SEBI. Failing to achieve/ maintain a minimum public shareholding would subject such company to penalties and other regulatory enforcement actions. Public sector undertakings, however, are able to take advantage of certain temporary exemptions under these regulations and have the benefit of a longer timeframe to achieve compliance in the event that their public shareholding falls below 25%.

As of September 30, 2023, the Bank's public shareholding constituted only 20.14% of its total outstanding Equity Shares. While the Bank is in the process of taking steps to increase the public shareholding as per SCRR, there is no assurance that such exemption will be granted in a timely manner or at all, or that we will be able to meet the minimum public shareholding of at least 25% within the prescribed timelines. In the event such exemption is refused and we fail to meet the minimum public shareholding within the prescribed timelines, our Bank may be subject to penalties and face regulatory actions, including delisting from the stock exchanges.

17. As on the date of this Placement Document, the composition of our Board and the composition of certain committees does not have the full strength as prescribed in the Banking Companies Act, SEBI Listing Regulations and Master RBI (Fit and Proper Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 dated August 2, 2019.

As on the date of this Placement Document, the Board does not have the full strength as prescribed in Banking Companies Act, as directorship under section 9(3)(e) of the Banking Companies Act to be nominated by the Central Government, directorship each under sections 9(3)(f) and 9(3)(g) the Banking Companies Act, to be nominated by the Central Government in consultation with RBI; and directorship under section 9(3)(h) of the Banking Companies Act, to be nominated by the Central Government are vacant.

Given that our Bank is a public sector undertaking, matters pertaining to, among others, appointment of our Directors are determined by the Government of India, Ministry of Finance or RBI except appointment of Shareholders' Directors under section 9(3)(i) of the Banking Companies Act.

Further, pursuant to gazette notification CG-DL-E-27012021-224708 dated January 25, 2021, the Board of the Bank is authorised do any act or thing and in order to do so the recommendations or determination of, or resolution of grievances of security holders by, or in respect of any appointment, approval or review by any committee of the Board of the bank is required, if the Board is satisfied that quorum for meeting of such committee cannot be met on account of either existence of any vacancy in such Committee or recusal by member thereof.

We cannot provide any assurance that the composition of our Board and the committees thereof will be in terms of the applicable regulations in a timely manner or at all. Such delay or failure could result in statutory / regulatory authority(ies) taking action against us including imposing penalty on our Bank, any of which could adversely affect the Bank's business, reputation and results of operations.

18. Our Bank may not be able to maintain the quality of our retail loan portfolio.

Our Bank's retail asset portfolio was ₹ 95,371.38 crore as at September 30, 2023. In addition, the Bank's current growth strategy contemplates further growth in our retail asset portfolio. Although India has a credit bureau industry and we review credit history reports whenever they are available from credit bureaus, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, is limited. As a result, our Bank's credit risk exposure is higher compared with banks operating in more developed markets. Additionally, the economy in India is largely cash based, making it difficult for us to monitor the credit of our retail customers, who frequently do not maintain formal financial records. Furthermore, retail loans may carry a higher risk for delinquency if there is an increase in unemployment, prolonged recessionary conditions or a sharp rise in interest rates. As a result, Bank is exposed to higher credit risk in the retail asset segment as compared to banks in more developed markets. If our Bank's screening process proves to be inadequate, we may experience an increase in impaired loans and we may be required to increase our provision for defaulted loans. Further, if the Bank is unable to maintain the quality of our retail loan portfolio as Bank grows its retail business, Bank NPAs may increase, which could materially and adversely affect our financial condition and results of operations.

19. We depend on the accuracy and completeness of information furnished by the customers and counterparties and any misrepresentation, errors or incompleteness of such information could cause our business to suffer.

Our principal activity is providing financing to borrowers, including individuals, SMEs and MSMEs. The credit risk of our borrowers may be higher than in other economies due to the higher uncertainty in our regulatory, political and economic environment and the inability of our borrowers to adapt to global technological advancements. In addition, India's system for gathering and publishing statistical information relating to the Indian economy generally or specific economic sectors within it, or corporate or financial information relating to companies or other economic enterprises is not as comprehensive as those of countries with established market economies. Although India has credit information companies, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, is limited. In the event that the reports of such credit information companies are not up-to-date, we may not be able to accurately assess the credit-worthiness of our borrower which may increase our risk of exposure to default by borrower. As our lending operations are primarily limited to India, we may be exposed to a greater potential for loss compared to banks with lending operations in more developed countries. Inadequate loan servicing histories for borrowers increase the risk of exposure and may lead to an increase in our NPAs which may adversely affect our business, results of operations and financial condition.

We rely on information furnished by customers and counterparties while determining whether to extend credit or to enter into other transactions with such customers and counterparties. We typically rely on financial statements, other financial information and certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors provided. For example, in deciding whether to extend credit, we may assume that a customer's audited financial statements conform to generally accepted accounting principles and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. Our financial condition and results of operations could be negatively affected by relying on financial statements that do not comply with generally accepted accounting principles or with other information that is materially misleading. We also rely on credit ratings and bureau scores assigned to our customers. Our financial condition and results of operations could be negatively impacted by such reliance on information that is inaccurate or materially misleading. This may affect the quality of information available to us about the credit history of our borrowers, especially individuals and small businesses. As a consequence, our ability to effectively manage our credit risk may be adversely affected.

The Credit Information Bureau (India) Limited ("**CIBIL**") does not presently report information from retailers, utility companies and trade creditors, and no other nationwide bureau of this nature presently exists. The difficulties associated with the inability to accurately assess the value of collateral and to enforce rights in respect of collateral, along with the absence of such accurate statistical, corporate and financial information, may decrease the accuracy of our assessments of credit risk, thereby increasing the likelihood of borrower default on our loan and decreasing the likelihood that we would be able to enforce any security in respect of such a loan or that the relevant collateral will have a value commensurate to such a loan. The absence of reliable information, including audited financial statements, recognized debt rating reports and credit histories relating to our present and prospective corporate borrowers or other customers makes the assessment of credit risk, including the valuation of collateral, more difficult, especially for individuals and small businesses. The availability of accurate and comprehensive credit information on retail customers and small businesses in India is more limited than for larger corporate customers, which reduces our ability to accurately assess the credit risk associated with such lending. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing and restructured assets. We may also experience an increase in impaired advances and may be required to increase our provision for defaulted advances. As a result, higher credit risk may expose us to greater potential losses, which could materially and adversely affect our business, financial condition and results of operations.

20. The Bank or its customers may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.

U.S. law generally prohibits or restricts U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of sanctions (such as Cuba, North Korea, Ukraine, Russia, Iran, Sudan and Syria, among others) and with certain persons or businesses that have been specially designated by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**") or other U.S. government agencies. Other countries, governments and international or regional organizations also administer similar economic sanctions.

The Bank provides transfer, settlement and other services to customers doing business with, or located in, countries to which certain OFAC-administered and other sanctions continue to apply, or was applicable in the past, such as Myanmar. Although the Bank believes it has compliance systems in place that are sufficient to block prohibited transactions, and the Bank has not been notified that any penalties or other measures will be imposed on it or any of its Subsidiaries, there can be no assurance that the Bank will be able to fully monitor all of its transactions for any such potential violation.

The Bank can provide no assurances that its future business will be free of risk under sanctions implemented against these jurisdictions or that it will conform its business to the expectations and requirements of authorities of any government that does not have jurisdiction over the business but nevertheless asserts the right to impose sanctions on an extraterritorial basis. Further, investors in the Equity Shares could incur reputational or other risks as a result of the Bank's and the Bank's customers' dealings in or with countries or with persons that are the subject of U.S. or other applicable economic or similar sanctions. In addition, because many sanctions programs are evolving, new requirements or restrictions could come into effect which might increase regulatory scrutiny of the Bank's business or result in one or more of its business activities being deemed to have violated sanctions, or being sanctionable.

21. We distribute third-party investment products, such as mutual funds, brokerage and insurance products. Our inability to effectively manage any of these businesses may adversely affect our business, results of operation and financial condition.

We have increased our focus on fee and commission-based income over a period of years. In order to grow our non-interest income, we distribute third-party investment products, including mutual funds, brokerage and insurance products and provide portfolio management services. We have engaged with various third parties to distribute such products. However, we have no control over the actions of such third parties and their products. Any failure on the part of such third parties, including any failure to comply with applicable regulatory norms, any regulatory action taken against such parties or any adverse publicity relating to such party could, in turn, result in negative publicity about us and adversely impact our brand and reputation. Further, in case customers to whom such products are sold, experience deficiency of service or are otherwise aggrieved, we may be subject to litigation or claims for damages by such aggrieved customers, which could have adverse effects on our reputation and our business, financial position and results of operations.

22. We make significant advances to the agricultural sector and any change in lending rates applicable to this sector may adversely affect our future financial performance.

As of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and September 30, 2023, our Bank's loan portfolio contained significant advances to the agricultural sector amounting to ₹ 78,775.39 crore, ₹ 88,100.38 crore, ₹ 101,936.57 crore, ₹ 95,214.37 crore and ₹ 110,404.02 crore, respectively, which represented 20.18%, 21.20%, 21.52%, 21.74% and 22.43%, respectively, of the Bank's adjusted net credit in such periods. Public sector banks may be required by the GoI to lend to the agriculture sector at below market rates. The RBI Master Directions on Priority Sector Lending - Targets and Classifications, stipulate that our agricultural advances shall be 18.00% of adjusted net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher, out of which a target of 10 percent is prescribed for Small and Marginal Farmers ("**SMFs**"). Further, 7.5% of the adjusted net bank credit or the credit equivalent amount of off-balance sheet exposure, whichever is higher, is prescribed for micro-enterprises and 12.00% is prescribed for advances to weaker sections. The targets prescribed for weaker sections and small and marginal farmers shall be implemented in a phased manner. Any revision in the definition or classification of segments eligible for priority sector lending could impact our ability to meet priority sector lending requirements. In addition, the exposure of public sector banks including us to the agricultural sector involves a higher degree of risk, as repayment of agricultural loans is significantly dependent on weather patterns and agricultural output as well as commodity price fluctuations. Further, certain state governments have in the past waived loans to certain customer segments, such as farmers, and we cannot assure you that similar measures will not be taken in the future, which may have an adverse impact on the overall loan recovery climate and may negatively affect the risk-adjusted returns of public sector banks and further, adversely affect our business, future financial performance and the trading price of the Equity Shares. In the event that we are required to increase our exposure to the agricultural sector pursuant to GoI mandated directed lending, it may adversely affect our future financial performance.

23. We may not be able to detect money-laundering and other illegal or improper activities in a comprehensive manner or on a timely basis, which could expose us to additional liability and harm our business or reputation.

We are required to comply with applicable anti-money laundering and anti-terrorism laws and other regulations in India and in other jurisdictions where we have operations. These laws and regulations require us to adopt certain measures, including, to adopt and enforce "know-your-customer/ anti-money laundering/ combating financing of terrorism" ("**KYC/AML/CFT**") policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities in different jurisdictions. Remittances and trade finance transactions are increasingly required to be scrutinized and monitored. Our international offices are required to adopt enhanced processes, new software systems, expanded data feeds, increased employee skills and robust risk management systems. We are also required to undertake constant review and assessment of existing control processes and programs to meet the increased regulatory expectation. We cannot assure you that we will always keep pace with frequent reviews and rapid upgrading required by such regulatory developments. While we regularly adopt policies and procedures aimed at detecting and preventing the use of our banking networks for money-laundering activities and by terrorists and terrorist-related organizations and individuals generally, such policies and procedures may not completely eliminate instances where our system may be used by other parties to engage in money-laundering and other illegal or improper activities due to, in part, the short history of these policies and procedures. In addition, there may be significant inconsistencies in the manner in which specific operational and KYC/AML/CFT policies are actually interpreted and implemented at an operational level in each of the branch and other customer interface levels.

For example, the RBI imposed a penalty of ₹ 0.55 crore on our Bank on April 6, 2023, on account of non-compliance with certain KYC directions. Further, on September 25, 2023, RBI has imposed a penalty of ₹ 1.62 crore on account of noncompliance with certain provisions of KYC directions and loans and advances – statutory and other restrictions.

To the extent we fail to fully comply with applicable laws and regulations, the relevant governmental and regulatory agencies may impose fines and other penalties and, in certain circumstances, instruct us to cease operations. In addition, any adverse action taken by such agencies could adversely affect our reputation, thereby affecting our business and future financial performance. For further information, see "*Legal Proceedings*" on page 293.

24. Our ability to pay dividends in the future will depend upon our earnings, financial condition and capital requirements and directions. Any inability to declare and/ or pay dividend may adversely affect the trading price of our Equity Shares.

While we have a formal board approved dividend policy to govern our dividend pay-out, our future ability to pay dividends and the amount of any such dividends, if declared, will depend upon a number of factors, including our future earnings, financial condition, capital requirements, our compliance with regulatory requirements such as ability to make adequate provisions for losses and writing-off capitalized expenses, meeting the RBI mandated CRAR and net NPA parameters and our results of operations and financial condition and other factors considered relevant by our Board and our shareholders. Dividend distributed by us will be subject to applicable withholding tax by our Bank and such dividend income will be taxable in the hands of the recipient of the dividend at applicable income tax rates. We cannot assure you that we will generate sufficient income to cover our operating expenses and shall be able to pay dividends. In addition, dividends that we have paid in the past may not be reflective of the dividends that we may pay in a future period. Our future dividend policy will depend on our revenues, profits, cash flow, financial condition, capital requirements and other factors. For further details please see "*Dividend Policy*" on page 94.

25. The banking industry in India is subject to extensive regulation and significant changes in the banking regulations may adversely affect our business and our future financial performance.

The banking and financial sector in India is highly regulated and extensively supervised by the RBI. See *"Regulations and Policies"* on page 223. Banks are generally subject to changes in Indian law, as well as to changes in regulations, government policies and accounting principles. We operate in a highly regulated environment in which the RBI, SEBI and other domestic and international regulators regulate our operations. As we operate under licenses or registrations obtained from appropriate regulators, we are subject to actions that may be taken by such regulators in the event of any noncompliance with any applicable policies, guidelines, circular, notifications and regulations issued by the relevant regulators. Our business could be affected by any changes in policies for banks in respect of directed lending, reserve requirements and other areas. For example, the RBI could change its methods of enforcing directed lending standards so as to require more lending to certain sectors, which could require us to change certain aspects of our business. In addition, we may be subject to other changes in laws and regulations, such as those affecting the extent to which we can engage in specific businesses or those that reduce our profits through a limit on either fees or interest rates that we may charge our customers or those affecting foreign investment in the banking industry, as well as changes in other governmental policies and enforcement decisions, income tax laws, foreign investment laws and accounting principles. The laws and regulations governing the banking sector, including those governing the products and services that we provide or propose to provide, could change in the future.

The lending norms of the RBI as prescribed under Master Directions – Priority Sector Lending (PSL) – Targets and Classification, require every scheduled commercial bank to extend 40.00% of its adjusted net bank credit ("**ANBC**") or credit equivalent of off-balance sheet ("**CEOBE**") purposes, whichever is higher, to certain eligible sectors, such as agriculture, micro, small and medium enterprises, export credit, education, housing, social infrastructure, renewable energy and others (which are categorized as "priority sectors"). Economic difficulties are likely to affect those borrowers in priority sectors more severely. As of September 30, 2023, our Bank's lending to priority sectors accounted for 42.83% of ANBC. On November 7, 2012 the RBI issued guidelines to consolidate the various instructions or guidance on liquidity risk management and to harmonize and enhance these instructions or guidance in line with the Principles for Sound Liquidity Risk Management and Supervision as well as the Basel III Guidelines. They include enhanced guidance on liquidity risk governance, the measurement, monitoring and reporting of liquidity positions to the RBI and minimum global regulatory standards of Liquidity Coverage Ratio ("**LCR**") and Net Stable Funding Ratio ("**NSFR**"). The RBI also issued the final guidelines on 'Framework on Liquidity Standards – Liquidity Coverage Ratio ("**LCR**"), Liquidity Risk Monitoring Tools and LCR Disclosure Standards' on June 9, 2014 to be implemented by the banks immediately and the LCR binding on banks from January 1, 2015. RBI issued the guidelines for NSFR effective from January 1, 2018. However, in view of the stress on account of COVID-19, it was been decided to defer the implementation of NSFR guidelines by a further period of six months and accordingly, the guidelines for NSFR came into effect from October 1, 2021.

The RBI issued the Guidelines for implementation of Counter Cyclical Capital Buffer ("**CCCB**") in February 2015. According to the CCCB guidelines, our Bank will have to maintain higher level of Common Equity Tier 1 ("**CET1**") capital ranging from 0% to 2.5% of total risk weighted assets ("**RWA**") of the banks, if the credit-to-GDP ratio in India is in the range of 3% to 15%. However, pursuant to a press release dated April 19, 2021, RBI has decided that it is not necessary to activate CCCB at this point in time. The RBI also stipulates policy measures designed to curb inflation. Currently, RBI has stipulated repo rate of 6.50% and reverse repo rate of 3.35%. The CRR currently applicable to banks in India is 4.50% of the Bank's net demand and time liabilities in current accounts with the RBI on an average fortnightly basis and on a particular day, the minimum daily maintenance of CRR should be 90% of prescribed CRR. Further, the RBI vide its circular dated August 10, 2023 directed banks to maintain an incremental CRR ("I-CRR") of 10% on the increase in net demand and time liabilities between May 19, 2023 and July 28, 2023. The RBI reviewed the I-CRR on September 8, 2023 and decided to discontinue the I-CRR in a phased manner. The release of funds is as follows: (i) September 9, 2023 – 25% of the I-CRR maintained; (ii) September 23, 2023 – 25% of the I-CRR maintained; and (iii) October 7, 2023 – 50% of the I-CRR maintained.

Under the Banking Regulation Act, all banks operating in India are required to maintain an SLR. The SLR is a specified percentage of a bank's net demand and time liabilities required to be maintained by way of liquid assets such as cash, gold or approved unencumbered securities. The current requirement of SLR is 18% of the Bank's net demand and time liabilities.

Laws and regulations governing the banking sector may change in the future and any changes may adversely affect our business, our future financial performance and the price of our Equity Shares.

26. ***We rely on our correspondent banks in other countries to facilitate our foreign exchange operations. Any failure to maintain such relationships or enter such new relationships with correspondent banks may impact our ability to grow our foreign exchange business.***

We have relationships with various correspondent banks and financial institutions across the globe to carry out our dealings in foreign currencies and for facilitating its treasury, trade and remittance transactions. We maintain Nostro accounts in foreign currencies with such correspondent foreign banks which facilitates inward and outward remittance. Our customers can remit funds to India in any of the currencies for which we have opened such accounts, by instructing their banks to remit the funds to our Nostro account maintained in that particular currency. We may need to open such Nostro accounts with the correspondent banks in those locations in case we intend to cater to a different foreign location or currency. Opening and maintaining such accounts requires compliance with strict KYC norms and any failure to adhere to such norms may result in the correspondent bank closing these accounts.

A correspondent bank may discontinue any of the services that it offers in relation to such accounts, which may result in customer dissatisfaction. There can be no assurance that we will be able retain our existing correspondent banks or enter into similar arrangements with new correspondent banks on commercially reasonable terms or at all. We could be forced to scale back our treasury, trade and remittance business, in the event that we are unable to open new accounts or continue to maintain existing accounts with our correspondent banks for any reason whatsoever, which could adversely affect our business, cash flows, results of operations and financial condition.

27. ***We are subject to capital adequacy norms and are required to maintain a CRAR at the minimum level required by RBI for domestic banks. Any inability to maintain adequate capital due to change in regulations***

or lack of access to capital or otherwise could materially and adversely affect our results of operations and financial condition.

We are subject to regulations relating to the capital adequacy of banks, which determines the CRAR, or the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio. The RBI requires banks in India to maintain a minimum CRAR of 11.50% (including capital conservation buffer). In addition, RBI issued the RBI Basel III Capital Regulations on May 2, 2012 pursuant to our Bank for the International Settlement's Basel III international regulatory framework. The RBI Basel III Capital Regulations were implemented on April 1, 2013. The RBI Basel III Capital Regulations require, among other things, higher levels of Tier I capital and common equity, capital conservation buffers, maintenance of a minimum prescribed leverage ratio on a quarterly basis, higher deductions from common equity and Tier I capital for investments in subsidiaries and changes in the structure of non-equity instruments eligible for inclusion in Tier I capital. The RBI Basel III Capital Regulations also set out elements of regulatory capital and the scope of the capital adequacy framework, including disclosure requirements of components of capital and risk coverage. In accordance with the RBI Basel III Capital Regulations, our Bank is required to maintain a minimum common equity Tier I ("**CET-I**") capital ratio of 8.00% (including a capital conservation buffer of 2.50%), and a minimum Tier I CRAR of 9.50% (including a capital conservation buffer of 2.50%) of its risk weighted assets. Any incremental capital requirement may adversely impact our ability to grow our business and may even require us to withdraw from, or curtail, some of our current business operations.

While we have been maintaining a CRAR under the Basel III standards, which was 15.53% as of September 30, 2023, we are exposed to the risk of the RBI increasing the applicable risk weight for different asset classes from time to time. Although we have implemented and followed a policy of maintaining a minimum capital adequacy ratio as stipulated in the RBI Basel III Capital Regulations issued by the RBI, there can be no assurance that we will be able to maintain this ratio in the future. Implementation of Basel III or other such capital adequacy requirements imposed by RBI may result in the incurrence of substantial compliance and monitoring costs, and any breach of applicable laws and regulations will adversely affect our reputation, business operations and financial conditions. In addition, if the Basel Committee on Banking Supervision (the "**Basel Committee**") releases additional or more stringent guidance on capital adequacy norms that are given the effect of law in India in the future, we may be required to raise or maintain additional capital in a manner which could materially and adversely affect our business, financial condition and results of operations. The RBI by its circular dated April 17, 2020 on the Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio ("**LCR**") stated that while banks are required to maintain an LCR of 100.00% with effect from January 1, 2019, in order to accommodate the burden on banks' cash flows on account of the COVID-19 pandemic, banks were permitted to maintain an LCR as follows: (i) 80.00% from April 17, 2020 to September 30, 2020, (ii) 90.00% from October 1, 2020 to March 31, 2021 and (iii) 100.00% with effect from April 1, 2021.

The Bank's ability to grow its business and execute its strategy is dependent on its level of capitalization. Any decrease in the Bank's regulatory capital ratios, increase in RBI-mandated reserve requirements or capital requirements applicable to the Bank on account of regulatory changes or otherwise, or inability to access capital markets may compel the Bank to commit its existing capital away from profitable business opportunities, or to raise additional capital, in order to meet these new capital adequacy requirements. For example, the requirement that the Bank maintain a portion of its assets in fixed income government securities could have a negative impact on its treasury income as the Bank typically earns interest on this portion of its assets at rates that are generally less favorable than those typically received on its other interest-earning assets. The Bank may also be compelled to dispose of certain of its assets and/or take other measures in order to obtain the necessary capital to meet more stringent capital requirements. This would limit the Bank's ability to grow its business or adversely impact its profitability and its future performance and strategy.

In addition, if the Bank is unable to meet the RBI's capital reserves requirements or regulatory capital ratios in the future, the RBI may impose additional penalties or prohibit fresh deposits, which may materially and adversely affect the Bank's business, financial condition, results of operations and prospects. If the Bank is unable to meet the RBI's capital reserves requirements or regulatory capital ratios in the future, the RBI may impose additional penalties or prohibit fresh deposits, which may materially and adversely affect the Bank's business, financial condition, results of operations and prospects.

The liquidity coverage ratios prescribed by the RBI Basel III Capital Regulations may result in Indian banks, including the Bank, holding higher amounts of liquidity, thereby impacting their profitability. In addition, any sudden increase in the demand for liquidity by banks to meet these regulatory liquidity requirements could have an adverse impact on the financial markets, and result in a sharp increase in short-term borrowing costs and a sudden increase in the cost of funding for banks, including the Bank.

In the past, the Bank has raised resources from the capital markets in order to meet its capital requirements. However, the Bank believes that the demand for Basel III compliant debt instruments such as Tier II capital eligible securities may be limited in India, and there can be no assurance that the Bank will be able to raise adequate additional capital in the future at all or on terms favorable to it. Moreover, if the Basel Committee releases additional or more stringent guidance on capital adequacy norms which are given the effect of law in India in the future, the Bank may be forced to raise or maintain additional capital in a manner which could materially adversely affect its business, financial condition and results of operations.

28. We have existing indebtedness and may incur additional indebtedness, which could adversely affect our financial condition and/ or our ability to obtain financing in the future, react to changes in our business and/ or satisfy our obligations.

As at September 30, 2023, our Bank had ₹ 24,922.79 crore of outstanding debt liabilities (on a standalone level), including capital instruments, borrowings in India and borrowings outside India. Our existing indebtedness could impose restrictions on our business operations, which may be in the nature of following:

- we may be unable to obtain additional financing, should such a need arise, which may limit our ability to satisfy obligations with respect to our debt;
- a portion of our financial resources must be dedicated to the payment of principal and interest on our debt, thereby reducing the funds available to use for other purposes;
- it may be difficult for us to satisfy our obligations to our creditors, resulting in possible defaults on, and acceleration of, such debt;
- we may be more vulnerable to general adverse economic and industry conditions;
- our ability to refinance debt may be limited or the associated costs may increase; and
- our flexibility to adjust to changing market conditions could be limited, or we may be prevented from carrying out capital spending that is necessary or important to our growth strategy and efforts to improve the operating margins of our businesses.

If we are unable to obtain such financing in a timely manner, at a reasonable cost and on acceptable terms or at all, we may be forced to delay our expansion plans, downsize or abandon such plans, which may adversely affect our business, financial condition and results of operations, as well as our future prospects.

29. Weakness or failures of our internal control system may cause significant operational errors, which may in turn materially and adversely affect our business.

Banks and financial institutions are generally exposed to many types of operational risks, including the risk of fraud or other misconduct by employees or outsiders, unauthorized transactions by employees and third parties (including violation of regulations for prevention of corrupt practices, and other regulations governing our business activities), or operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems. Given the high volume of transactions that we handle on a day to day basis, certain errors may be repeated or compounded before they are discovered and successfully rectified. In addition, our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

We also outsource certain functions to other agencies, such as data entry, cash management and ATM management. We are also, as a result exposed to the risk that such external agencies may be unable to fulfil their contractual obligations to us (or will be subject to the same risk of fraud or operational errors by their respective employees as we are), and to the risk that our (or such agencies) business continuity and data security systems prove not to be sufficiently adequate. We also face the risk that the design of our controls and procedures may prove inadequate, or are circumvented, thereby causing delays in detection or errors in information. While we periodically test and update, as necessary, our internal control systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances.

Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to fully correct such internal control weakness. During the six months ended September 30, 2023, we reported 20 borrowal accounts fraud. The total amount involved was ₹ 17.74 crore. In respect of loans and advances classified as fraud, the Bank holds 100.00% provision. Further, there have been instances in the recent past of delays in the reporting of frauds to our Board and committees thereunder.

Our risk management techniques may not be fully effective in mitigating our risk exposure in all market environments or against all types of risks, including risks that are unidentified or unanticipated. Some methods of managing risk are based upon observed historical market behavior. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up to date or properly evaluated. Management of operational, legal or regulatory risk, compliance risk, conduct risk, environmental social and governance risk and other non-financial risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events. Although we have established these policies and procedures, these policies may not be fully effective which could adversely affect our business or result in losses.

30. We may not be able to manage our expanding workforce on account of inevitable operational risks. Moreover, our employees are unionized and any union action may adversely affect our business.

As of September 30, 2023, we had total of 41,665 permanent employees (including officers posted abroad and part time employees). Our representative unions are Federations of Indian Bank Employees' Unions and All India Indian Bank Officers' Association. We carry out recruitment drives in accordance with its expansion program and to cater to the vacancies that are likely to be created from the retirement of employees. We could experience difficulties in managing the ever-expanding workforce. While we endeavor to put in place systems which utilize efficiencies resulting from adoption of new technologies, in the event there is a default in operations, and/or we are not successful in recruiting sufficient numbers to execute its strategies, or training and maintaining its standards across a large employee population, or retaining its growing population of employees, this may have an adverse impact on our future financial performance.

There is also likelihood for employee misconduct which could involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand. It is not always possible to deter misconduct by employees and the precautions we take and the systems we have put in place to prevent and deter such activities may not be effective in all cases. Any instances of such misconduct or fraud could adversely affect our reputation, business, results of operations and financial condition.

In addition, from time to time, the labor unions for employees in the banking industry namely United Forum of Bank Unions, All India Bank Employees Association, National Organization for Bank Workers, All India Bank Officers' Association, Indian National Bank Officers' Congress, National Organization of Bank Officers, National Confederation of Bank Employees and Indian National Bank Employees Federation organizes strikes, as a result of which, we have been and may in the future also be affected by strikes, work stoppages or other labor disputes. In Fiscal 2021, 2022, 2023 and six months ended September 30, 2022 and September 30, 2023, there were three, four, nil, nil and nil instances of industry level strikes, respectively. These past instances of industry wide strikes by the unions affected all banks and the normal functioning of the branches/ offices of our Bank were affected as well. However, the Bank takes all necessary steps for smooth functioning of the Bank's branches/ offices on the day of such strikes materialize. In the event of a labor dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations, which could materially and adversely affect our business, future financial performance and results of operations. While we believe that we have a strong working relationship with our unions, associations and employees, there can be no assurance that we will continue to have such a relationship in the future, and that there will not be significant strikes or disputes with employees that could affect our operations in future.

31. Our inability to maintain or grow our CASA ratio may result in higher cost of deposits and impact our financial condition.

We have traditionally maintained high CASA deposits because of our large retail customer base spread across India. As of September 30, 2023, the share of CASA deposits was at 40.11% of our total deposits. We may not be able to maintain our CASA deposits and ratio owing to the increased competition from other banks and lending institutions. In order to attract retail customers and increase our CASA deposits, we intend to introduce new products and promote our products through marketing campaigns. The interest rates that we must pay to attract customer deposits are determined by numerous factors such as the prevailing interest rate structure, competitive landscape, Indian monetary policy and inflation. However, there is no assurance that we will be successful in growing our CASA base. If we fail to maintain or grow our CASA ratio, our financial condition and cash flows may be materially and adversely affected.

32. The Indian banking industry is very competitive and our growth strategy depends on its ability to compete effectively.

We face competition in all our principal areas of business. Private sector banks, foreign banks and other public sector banks are our main competitors, followed closely by small finance banks, non-banking finance companies, insurance companies, housing finance companies, payment banks, asset management companies, development financial institutions, mutual funds, and investment banks.

We may also face increased competition from foreign banks if the Indian retail market is further liberalized or if regulations and restrictions upon branch network growth by foreign banks are simplified or reduced, foreign banks may operate in India by establishing wholly owned subsidiaries, which are allowed to raise Rupee resources through issue of non-equity capital instruments. In addition, wholly owned subsidiaries of foreign banks may be allowed to open branches in Tier II to Tier VI towns except at specified locations considered sensitive for national security reasons. Further, under the foreign exchange regulations, an aggregate foreign investment of up to 49.00% under the automatic route, and 74.00% under the government approval route, in Indian private sector banks is allowed as compared to 20.00% under the government route for public sector banks.

The Indian financial sector may also experience further consolidation which could result in fewer banks and financial institutions offering additional comprehensive services and products. For example, in one of the largest consolidations in the Indian banking industry, the State Bank of India merged with its five associate banks and the Bharatiya Mahila Bank, which became effective on April 1, 2017. Moreover, the Government announced the amalgamation of three other public sector banks in Fiscal 2019, and several additional amalgamations of public banks were announced by the Government in Fiscal 2020. These trends are expected to increase competitive pressures on the Bank in the future.

Further, innovations in the payments system and increasing use of mobile banking are leading to emergence of new platforms for cashless payments. These and other trends in technology could increase competitive pressures on banks, including the Bank, to adapt to new operating models and upgrade back-end infrastructure on an ongoing basis in order to compete more effectively. There is no assurance that the Bank will be able to respond adequately new technology developments or be in a position to dedicate sufficient resources to upgrade its systems and compete with new players entering the market. Some or all of these entities, which have substantially more resources than the Bank and other Indian banks, may eventually seek a larger share of the banking and financial services market in India and compete with the Bank.

In addition, changing customer behavior and expectations could increase competitive pressures in the Indian banking sector. The Bank has seen an increase in customer complaints in recent years. For example, increased accessibility to smartphones, tablets and other technologies has decreased overall customer loyalty across the Indian banking industry as customers can easily compare the costs, fees and other charges for availing a particular banking product or service across banks, resulting in increased expectations from customers, decreased customer loyalty and greater competitive pressures across the overall banking industry. The Bank cannot assure you that it will be able to respond and adapt to such changing behaviors and expectations adequately or at all.

Any changes in the banking structure in India, including the entry of new banks, greater competition between existing players and improvement in the efficiency and competitiveness of existing banks, may have an adverse impact on the Bank's business. Due to competitive pressures, the Bank may be unable to successfully execute its growth strategy or offer products and services at reasonable returns and this may adversely impact its business. See "*Our Business – Competition*" on page 175.

33. We offer unsecured loan to customers and are not supported by any collateral. In the event of non-payment by a borrower of one of these loans, we may be unable to collect the unpaid balance.

We offer unsecured personal loans to the retail customer segment, including salaried individuals and self-employed professionals. In addition, we offer unsecured loans to corporates, small businesses and individual businessmen. As of September 30, 2023, our Bank's unsecured loans amounted to ₹ 49,684.64 crore, which represented 6.73%, of our Bank's total assets. Unsecured loans are at higher credit risk for us than our secured loan portfolio as they may not be supported by realizable collateral that could help ensure an adequate source of repayment for the loan. Although we may obtain direct debit instructions or post-dated checks from our customers for our unsecured loan products, we may be unable to collect in part or at all in the event of non-payment by a borrower. Further, any increase in delinquency in our unsecured loan portfolio could require us to increase our provision for credit losses, which would decrease our earnings.

34. Our Bank has reported some of our borrowers as wilful defaulters. An increase in the number of wilful defaulters may have a material, adverse impact on our business, financial condition and results of operations.

As at September 30, 2023, our Bank reported a total of 569 borrowers as wilful defaulters to the RBI while the total amount outstanding of such borrowers' accounts was ₹ 10,842.88 crore. In respect of borrowers classified as non-cooperative and wilful defaulters, our Bank makes accelerated provisions as per extant RBI guidelines. An increase in the number of wilful defaulters reported by our Bank could adversely affect our business, financial condition and results of operations.

35. We face restrictions in opening new branches in Tier I centres. In case we are unable to expand our branches in Tier-I centres, it may impact growth of our deposit base which may in turn adversely affect our business prospects.

The RBI has granted general permission to public sector banks to open branches in India, subject to at least 25% of the total number of branches opened during a financial year are in unbanked rural (Tier V and Tier VI) centres. We have 1,149 branches in Tier I centres and 4,670 branches in Tier II to Tier VI centres, as of September 30, 2023. Deposits maintained at Tier I centres constitute 66.32% of our total domestic deposits as of September 30, 2023. Our ability to set up branches in Tier I centres to grow our deposit base depends in part on our ability to comply with conditions prescribed by RBI for expanding our network of branches. Any inability to grow our deposit base may adversely impact our business prospects.

36. Our business operations are heavily reliant on our information technology systems. Any failure of or disruptions in our systems could have an adverse impact on our operations and financial condition.

Our business is largely dependent on our information technology systems. We service our customers, undertake risk management functions, deposit services, loan origination functions, as well as our increasing portfolio of products and services through our information technology systems. We also rely on our technology platform to undertake financial control and for transaction processing. In addition, our systems connect our ATMs, branches and other delivery channels. Our hardware and software systems are also subject to damage or defaults by human error, natural disasters, power loss, sabotage, computer viruses and similar events or the loss of support services from third parties such as internet service providers. Our information technology systems may be subject to interruptions, temporary disruptions, and may not meet our requirements or be suitable for use at all times. While we have not experienced significant disruptions in our service to customers in the last three Fiscals and six months ended September 30, 2023, there can be no assurance that we will not encounter disruptions in the future due to substantially increased number of customers and transactions, or other reasons. Any inability to maintain the reliability and efficiency of our systems could adversely affect our reputation, and our ability to attract and retain customers. In the event we experience system interruptions, errors or downtime, and are unable to develop the required technology or in the event we experience any other lapses in our systems, our business, financial condition and results of operations may be materially and adversely affected.

37. The increasing adoption of digital technologies, as well as legal or regulatory changes may affect the Bank's retail banking strategies and may adversely impact the competitive advantages the Bank derives from the Bank's physical branch network.

The Bank has expended significant efforts in establishing a physical branch network and other retail distribution assets. Advances in technology such as digital and mobile banking, self-service technologies, proximity or remote payment technologies, as well as changing consumer preferences for these other methods of delivering banking services, could decrease the value of the Bank's physical branch network and the competitive advantage that the Bank derives from such assets. The COVID-19 pandemic and the resulting lockdowns and social distancing measures increased emphasis on digital banking technologies which could impact the competitive advantage that our Bank derives from its physical branch network assets.

As a result, the Bank may need to re-evaluate the Bank's retail banking strategy and potentially restructure the Bank's physical branch network in the future. This may also require us to invest significantly in building new technology platforms or other alternative strategies in order to continue competing effectively. These actions may lead to losses on these assets or may adversely impact the carrying value of such assets or increase the Bank's expenditures.

38. Any regulatory investigations, fines, sanctions, relating to our operations could negatively affect our business and financial results, or cause serious reputational harm to our businesses.

The RBI is empowered under the Banking Regulation Act to impose penalties on banks and their employees, to enforce applicable regulatory requirements. In the past, the RBI has levied penalty on us for non-compliance with guidelines and instructions issued by the RBI from time to time, as well as on account of fraud. For example, on

August 3, 2022, RBI has imposed a monetary penalty of ₹0.32 crore in relation to four fraud cases, for non-compliance with certain provisions of RBI (Fraud classification and reporting by commercial banks and select FIs) Directions 2016.

We are periodically subject to inspections by other relevant authorities. Certain of these inspections have resulted in investigations and cases commenced against us or some of our employees. Penalties were also levied by GoI on account of delayed remittance of GST collections in the past, online customs duty collections and in case of public provident fund accounts. Although we have taken measures to rectify our internal lapses that have led to such instances of regulatory non-compliance, we cannot assure you that such measures will be effective in preventing similar lapses in the future. Going forward we will remain subject to similar inspections, investigations and cases. If one or more of such inspections, investigations or cases leads to a significant award or penalty against us, our business may be adversely affected.

We cannot predict the initiation or outcome of any further investigations by other authorities or different investigations by the RBI. The penalties imposed by such regulators, or any future scrutiny, investigation, inspection or audit which could result in fines, public reprimands, reputational loss, significant time and attention from our management, costs for investigations and remediation of affected customers, may materially and adversely affect our business and financial performance.

39. Increasing regulatory focus on personal information protection could impact our business and expose us to increased liability.

Regulators in various jurisdictions are increasingly scrutinizing how companies collect, process, use, store, share and transmit personal data. This increased scrutiny may result in new interpretations of existing laws, thereby further impacting our business. In India, the Digital Personal Data Protection Act, 2023 ("**Data Protection Act**") enacted in August 2023, focuses on personal data protection for implementing organizational and technical measures in processing digital personal data and lays down norms for cross-border transfer of personal data including ensuring the accountability of entities processing personal data. The Data Protection Act requires companies that collect and deal with high volumes of personal data to fulfil certain additional obligations such as appointment of a data protection officer for grievance redressal and a data auditor to evaluate compliance with the Data Protection Act. The Data Protection Act further provides that personal data may be processed only in accordance with the Data Protection Act, and for a lawful purpose after obtaining the consent of the individual or for certain legitimate uses. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. The RBI has also issued a circular dated April 6, 2018 on the procedure of storage of payment systems data to ensure that data relating to payment systems that we operate are stored only in India. Any failure, or perceived failure, by us to comply with any applicable regulatory requirements, including but not limited to privacy, data protection, information security, or consumer protection-related privacy laws and regulations, could result in proceedings or actions against us by governmental entities or individuals who may subject us to fines, penalties, and/ or judgments which may adversely affect our business and reputation.

40. We are involved in certain legal and other proceedings which, if determined against us, could have a material adverse impact on our financial condition.

We are involved in various legal proceedings in the ordinary course of our business. These legal proceedings are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities/ other judicial authorities. These matters generally arise because we seek to recover dues from borrowers. Further. our Bank have field complaints before relevant authorities against certain of the borrowers on account of fraud and/or under the Negotiable Instruments Act, 1881 in relation to dishonor of cheques issued by such borrowers. Although it is our policy to make provisions for probable loss, we do not make provisions or disclosures in our financial statements where our assessment is that the risk is insignificant. We can give no assurance that these legal proceedings will be decided in our favour and we may incur significant expenses and expend substantial management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If there are any rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. As on the date of this Placement Document, the Bank has made one material complaints on account of fraud wherein the amount involved is approximately ₹ 1,355.44 crore. For further information on the matter, see *"Legal*

Proceedings" on page 293. If our provisioning is inadequate relative to actual losses on final judgment, such additional losses could have an adverse impact on our business and financial condition.

41. A substantial portion of our loans have a tenor exceeding one year, exposing us to risks associated with economic cycles and project success rates.

As of September 30, 2023, loans with a remaining tenor exceeding one year represented 81.15%, of our Bank's total term loan portfolio. The long tenor of these loans may expose us to risks arising out of economic cycles. In addition, some of these loans are project finance loans. There can be no assurance that these projects will perform as anticipated or that such projects will be able to generate cash flows as estimated to service commitments under the loans. We are also exposed to infrastructure projects that are still under development and are susceptible to risks arising out of delay in execution, failure of borrowers to execute projects on time, delay in getting approvals from necessary authorities and breach of contractual obligations by counterparties, all of which may adversely impact the projected cash flows. Although we have in place certain risk analysis and mitigation mechanism, and procedures to monitor its project finance borrowers, these procedures may not be effective, as projects often get delayed due to extraneous factors. Risks associated with a recession in the economy and a delay in project implementation or commissioning could lead to rise in delinquency rates and, in turn, adversely impact our future financial performance.

42. Our business and financial condition may be adversely affected if we are unable to keep pace with the new products and services available in the banking industry.

We have been diversifying and expanding our products and services for retail, corporate and MSMEs to include retail asset products, prepaid cards, talking ATMs, mobile applications and unified payment interface. In addition, we have expanded our branch and ATM network into semi-urban and rural areas. Such new initiatives and products and services entail a number of risks and challenges, including but not limited to insufficient knowledge of and expertise applicable to the new businesses, which may differ from those required in our current operations, adopting adequate risk management procedures, guidelines and systems, credit appraisal, monitoring and recovery systems, lower profitability potential than we anticipated, failure to identify new segments and offer attractive new products and services in a timely fashion, putting us at a disadvantage to our competitors, competition from similar offerings or products and services by our competitors in the banking and non-banking financial services sectors, inability to attract customers from our competitors to our new businesses or failure to attain requisite approvals from any regulatory authority.

If we are unable to successfully diversify our products and services while managing the associated risks and challenges, our returns on such products and services may be less than anticipated, which may materially and adversely affect our liquidity, business, prospects, financial condition, and results of operations. In addition, if our competitors are able to better anticipate the needs of customers within our target market, our market share could decrease and our business could be adversely affected.

43. Majority of our offices, branches and ATMs are located on premises taken by us on lease or on leave and license basis. We may not be able to renew these agreements for our branches upon acceptable terms or at all which could have an adverse effect on our business and results of operations.

While our head and corporate office is owned by us, majority of our offices, branches and ATMs are located on premises taken by us on lease or leave and license basis from third parties. The average tenure of the leases for our offices, branches and ATMs ranges from 10 years to 15 years. For some of our branches, the lease deeds have expired and are pending renewal. As of October 31, 2023, there are 298 lease agreements that are pending renewal. In case our leases are not renewed or are renewed on unfavourable terms and conditions, we may be forced to procure alternative spaces for our existing branches or incur additional costs associated with such unfavourable renewals. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease agreements. This may cause a disruption in our operations or result in increased costs, or both, which may materially and adversely affect our business, financial condition and results of operations in respect of such defaulting premises. Furthermore, some of our lease agreements and leave and license agreements may not be adequately stamped or registered with the registering authority of the appropriate jurisdiction. An instrument not duly stamped, or insufficiently stamped, shall not be admitted as evidence in any Indian court or may attract a penalty as prescribed under applicable law, which could adversely affect the continuance of our operations and business. Although we procure space that satisfies the safety, operational and financial criteria for our branches, we cannot assure you that we will be able to identify such space at commercially reasonable terms or at all.

44. Our failure to adapt to technological advancements that can potentially disrupt the banking industry could affect the performance and features of our products and services and reduce our attractiveness to customers.

Any technological advancement in the way customers prefer to execute their banking services may change the way banking has been perceived and carried out. Technological innovation such as mobile wallets, mobile operator banking, payment banks, internet banking through smart phones, etc. could disrupt the banking industry as a whole. There can be no assurance that we will be able to adapt our systems quickly and efficiently to such changing environment. Even if we are able to maintain, upgrade or replace our existing systems or innovate or customise and develop new technologies and systems, we may not be as quick or efficient as our competitors in upgrading or replacing our systems. Our failure to adapt to such technological advancements quickly and effectively could affect the performance and features of our products and services and could reduce our attractiveness to existing and potential customers.

45. If we fail to comply with applicable regulations in various international jurisdictions, regulatory actions may result, including financial penalties and restrictions on, or suspension of, the related business operations.

Our international operations include three branches outside India, one branch in Singapore and two branches in Sri Lanka at Colombo and Jaffna. Given our international operations, we are subject to a wide variety of banking and financial services laws and regulations, as well as regulatory and enforcement authorities in the jurisdictions in which we operate. The laws and regulations governing the banking and financial services industry have become increasingly complex, governing a wide variety of matters, including interest rates, liquidity, capital adequacy, securitisation, investments, ethical issues, money laundering, privacy, record keeping, outsourcing and marketing and selling practices with sometimes overlapping jurisdictional or enforcement authorities. Failure to comply with applicable regulations in various jurisdictions, including unauthorised actions by employees, representatives, agents and third parties, could result in regulatory action, including financial penalties and restrictions on, or suspension of, the related business operations.

46. Our Subsidiary, Ind Bank Housing Limited has incurred losses in the past. Further, the Reserve Bank of India has cancelled the certificate of registration of Ind Bank Housing Limited for carrying out housing finance business.

Ind Bank Housing Limited ("**Ind Bank**"), in which our Bank holds 51% shareholding had stopped lending from the year 2000. It had a negative net worth of ₹ 119.88 crore as of March 31, 2023 and incurred a loss of ₹ 0.19 crore, ₹ 0.13 crore, ₹ 0.55 crore, ₹ 0.14 crore and ₹ 0.54 crore in Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023, respectively. Further, it was not in compliance with the minimum requirement of net owned funds and CRAR. The RBI issued a show cause notice dated June 15, 2022 to Ind Bank for cancellation of certificate of registration under section 29A(6) of the National Housing Bank Act, 1987 for violating the minimum requirement of net owned funds of ₹ 10 crore. Further, in terms of paragraph 5 of the Mater Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021, Ind Bank was required to achieve minimum net owned funds of ₹ 15 crore by March 31, 2022and ₹ 20 CRORE BY March 31, 2023. However, Ind Bank was not able to meet the requirements and the RBI pursuant to an order dated September 21, 2023 cancelled the certificate of registration granted to Ind Bank by NHB for carrying out housing finance business and surrender the certificate of registration granted to it. The board of directors of Ind Bank in their meeting held on November 4, 2023 have consented in-principle to wind up Ind Bank under Section 271 of the Companies Act, 2013, subject to shareholders and other statutory and regulatory approvals.

47. Any deficiencies, inaccuracies or mis-specification in the models and data we rely on for our risk analysis could impact our decision-making and operations.

As part of our ordinary decision making-process, we rely on various models for risk and data analysis. These models are based on historical data and supplemented with managerial input and comments. These models and the data they analyze may not always be accurate or adequate to guide our strategic and operational decisions and protect us from risks. Any mis-specification, deficiencies or inaccuracies in the models or the data might have a material adverse effect on our business, financial condition or results of operation. As we seek to expand the scope of our operations in newer geographies or new product areas, we also face the risk that we will be unable to develop risk management policies and procedures, that are properly designed for those new geographies or areas or products or to manage the risks associated with the growth of our existing businesses. Implementation and monitoring may prove particularly challenging with respect to our expansion and the products that we plan on developing.

48. Our risk management policies and procedures may not adequately address unidentified or unanticipated risks.

The Bank is exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risks, including fraud, and legal risks. The effectiveness of its risk management is limited by the quality and timeliness of available data and other factors outside of its control. While we have a well-defined risk management governance framework that comprises of a Risk Management Committee and sub committees for management of credit, market, liquidity and operational risk, to the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures, in particular to market environments or against particular types of risk. We have devoted significant resources to develop our risk management policies and procedures and aim to continue to do so in the future. For further information, see *"Our Business – Risk Management"* on page 175. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our methods of managing risks are based upon the use of observed historical market behavior. As a result, these methods may not accurately predict future risk exposures which could be significantly greater than those indicated by the historical measures. Management of operations, legal and regulatory risks requires, among other things, policies and procedures to properly record and verify a large number of transactions and events, and these policies and procedures may not be fully effective. As we seek to expand the scope of our operations, we also face the risk that we will be unable to develop risk management policies and procedures that are properly designed for new business areas or to manage the risks associated with the growth of our existing businesses effectively. Implementation and monitoring may prove particularly challenging with respect to businesses that we plan on developing. An inability to develop and implement effective risk management policies may materially and adversely affect our business, financial condition and results of operations.

49. Negative publicity could damage our reputation and adversely impact our business and financial results.

We believe our name is associated with strong brand recognition due to its long and successful presence in the markets in which we operate and therefore maintaining and enhancing the brand is important for retaining our competitive advantage. Reputational risk, or the risk to our business from negative publicity, is inherent in our business. The reputation of the financial services industry in general has been closely monitored as a result of the financial crisis and other matters affecting the financial services industry. Any negative public opinion about the industry in which we operate could adversely affect our ability to attract and retain customers, and may expose us to litigation and regulatory action.

Further, creating and maintaining public awareness of our name is crucial to our business and we accordingly invest in various marketing and advertising campaigns. If these campaigns are poorly executed, or our customers lose confidence in us for any reason, it could harm our ability to attract and retain customers. There can be no assurances that we will be able to sustain effective marketing, advertising and branding initiatives in the future. Maintaining and enhancing our name may require us to make substantial investments in financial services industry which may not be successful.

Negative publicity can result from our actual or alleged conduct in a number of activities, including lending practices, foreclosure practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organizations in response to that conduct. We distribute several third-party products, including life insurance, health insurance, general insurance and mortgages. While there have been no such material negative publicity in the last three Fiscal and six months ended September 30, 2023, however, any failure on the part of such third parties, including any failure to comply with applicable regulatory norms, any regulatory action taken against such parties or any adverse publicity relating to such party could, in turn, result in negative publicity about us and adversely impact our brand and reputation.

50. Our results of operations are dependent on macro-economic developments and other market factors, and any such developments may cause our results of operations to fluctuate or decline from period to period.

Our business is subject to a number of macro-economic factors that are outside of our control, and can lead to business and financial loss in the future, including growth in GDP, inflation, fiscal deficits, disposable household income in India, international and domestic political and economic conditions, fiscal and monetary policies of governments and central banks, and changes in interest rates. As a result of (i) the volatility of these macro-economic factors, including exchange rates and interest rates, (ii) provisions we make from period to period for NPAs, commitments and contingencies (such as for letters of credit and bank guarantees), (iii) volatility in our trading operations, our results of operations have varied from period to period in the past and may fluctuate or decrease in the future due to these and other factors. Any adverse development in India or global macro-economic conditions could have a material adverse effect on our business, financial condition, results of operations or prospects.

51. Our inability to renew or maintain our statutory and regulatory permits and approvals required to operate our business may adversely impact of business, financial condition and results of operation.

We are required to obtain various statutory and regulatory permits and approvals to operate our business which requires us to comply with certain terms and conditions to continue our banking operations. Our license from the RBI requires us to comply with certain terms and conditions. In the event that we are unable to comply with any or all of these terms and conditions, or seek waivers or extensions of time for complying with these terms and conditions, it is possible that the RBI may revoke this license or may place stringent restrictions on our operations. This may result in the interruption of all or some of our operations and may have a material adverse effect on our business, financial condition, results and cash flow. In the event that we are unable to renew or maintain other statutory permits and approvals or comply with regulatory requirements, it may result in the interruption of all or some of our operations, imposition of penalties and could materially and adversely affect our business, financial performance and reputation.

52. We extend a certain amount of loans to the priority sector pursuant to regulations prescribed by the RBI. Loans to priority sector could have higher delinquency rates. If we do not meet our priority sector lending requirements, our results of operations could be adversely affected.

The RBI requires all banks that are operating in India to channel a minimum aggregate of 40.00% of our net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher, to "priority sectors" such as agriculture, MSMEs, export credit, education, social infrastructure, renewable energy and as determined by the RBI. Economic difficulties may affect borrowers in "priority sectors" more severely and our NPA levels may increase in case "priority sectors" experience any economic decline or downturn. As of September 30, 2023, our advances to priority sector was ₹ 164,341.11 crore which accounted for 33.38% of our overall advances.

Conversely, if we are unable to meet our priority sector lending requirements, we will subsequently be required to place the difference between the required lending level and actual priority sector lending in an account with the NABARD under the Rural Infrastructure Development Fund Scheme, or with other financial institutions specified by the RBI, which generate lower levels of interest compared to advances made to the priority sector. Further, subsequent deposits placed by banks on account of non-achievement of priority sector lending targets or sub-targets are not eligible for classification as indirect finance to agriculture or MSMEs, as the case may be.

53. Our inability to attract and retain talented professionals may negatively affect our results of operation and financial position.

Attracting and retaining talented professionals is a key element to our growth strategy. Our remuneration schemes are guided by industry level negotiations between bank management represented by the Indian Bank's Association ("**IBA**"), and officers/ workmen represented by their respective unions. In addition to such remuneration, we also offer our employees certain performance-linked incentives. Our remuneration scheme is in accordance with industry level settlement formulated by the IBA following negotiation with various unions or associations. The remuneration prevalent in the public sector banks are similar except for perks which is determined by individual banks.

If the banking industry increasingly moves toward incentive-based pay schemes, attrition rates could increase and we could be forced to alter our remuneration scheme. The resultant pressures may result in diminished profitability, especially if rates of return do not experience a commensurate rise. An inability to attract and retain such talented professionals or the resignation or loss of key management personnel may have an adverse impact on our business, future financial performance and trading price of the Equity Shares.

54. A reduction in long-term interest rates may increase our Bank's pension liabilities, which could adversely affect our results of operations.

Our Bank operates a defined benefit pension fund scheme. A discount rate is used to calculate the present value of our Bank's future liabilities in relation to the scheme and is linked to the long-term yield on GoI securities. A reduction in the long-term interest rate would increase the present value of our Bank's pension obligations. As a result, our Bank may be required to make further cash contributions to the scheme in order to cover the deficit which may in turn lead to an increase in its pension expenses. In a falling interest rate scenario, the held-to-maturity value of already invested securities is likely to go up, thereby offsetting, to an extent, the increase in the present value of the pension obligation.

55. Our insurance coverage may be inadequate to cover claims. If we incur substantial uninsured loss or loss that exceeds our insurance coverage, it could have a material adverse effect on our business, cash flows, results of operations and financial condition.

While we are covered by a range of insurance that we believe is consistent with industry practice in India to cover risks associated with our business, we cannot assure you that the existing coverage will insure us completely against all risks and losses that may arise in the future. We may not have insurance to cover all of the risks associated with our business, as insurance coverage is either unavailable for certain risks or is prohibitively expensive. In addition, even if such losses are insured, we may be compelled to contribute a substantial deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. In addition, our insurance policies are generally subject to annual renewal, and our ability to renew these policies on similar or otherwise acceptable terms, cannot be assured. If we incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our business, cash flows, results of operations and financial condition.

56. We are exposed to fluctuations in foreign exchange rates which could adversely affect our business, future financial performance and trading price of the Equity Shares.

As a financial institution with operations in various countries, we are exposed to significant exchange rate risks from our foreign exchange transactions and related derivative transactions. As of September 30, 2023, our Bank's credit exposure on account of outstanding gross forward exchange contracts amounted to ₹ 5,779.77 crore. Further, as of September 30, 2023, our Bank had foreign currency borrowings of ₹ 1,868.24 crore, which constituted 0.25% of our total liabilities, thereby resulting in foreign currency risk in respect of our ability to service such debt.

As we do not enter into agreements to hedge our foreign exchange exposure, we are exposed to significant fluctuation in foreign currency rates. Any adverse movements in foreign exchange rates may also impact our borrowers negatively which may in turn impact the quality of our exposure to these borrowers. Volatility in foreign exchange rates may be further accentuated due to other global and domestic macroeconomic developments and as a result, our future financial performance and the market price of the Equity Shares may be adversely affected.

57. We may face cyber threats attempting to exploit our network to disrupt services to customers and/ or theft of sensitive internal data or customer information, which may cause damage to our reputation and adversely affect our business and financial performance.

We offer online banking services to our customers. Our online banking channel includes multiple services such as electronic funds transfer, bill payment services, usage of credit cards on-line, requesting account statements, and requesting check books. We are therefore exposed to various cyber threats including (i) phishing and trojans targeting our customers, wherein fraudsters send unsolicited mails to our customers seeking account sensitive information or to infect customer machines to search and attempt exfiltration of account sensitive information; and (ii) hacking, wherein attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; and (iii) data theft, wherein cyber criminals may attempt to enter our network with the intention of stealing our data or information. In addition, we also face the risk of our customers incorrectly blaming us and terminating their accounts with us for any cyber security breaches that may have occurred on their own system or with that of an unrelated third party. Any cyber security breach could also subject us to additional regulatory scrutiny and expose us to civil litigation and related financial liability.

As technology is currently in a phase of rapid evolution and the methods used for cyber-attacks are changing frequently or, in some cases, are not recognized until an actual attack, we may not be able to anticipate or to implement effective preventive measures against all such security breaches. Cybersecurity risks for banking organizations have significantly increased in recent years in part because of the proliferation of new technologies, and the use of the internet and telecommunications technologies to conduct financial transactions. For example, cybersecurity risks may increase in the future as we continue to increase our mobile-payment and other internet-based product offerings and expand our internal usage of web-based products and applications. In addition, cybersecurity risks have significantly increased in recent years in part due to the increased sophistication and activities of organized crime affiliates, terrorist organizations, hostile foreign governments, disgruntled employees or vendors, activists and other external parties, including those involved in corporate espionage. Even the most advanced internal control environment may be vulnerable to compromise.

We seek to protect our computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems caused by our increased use of the internet. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and network infrastructure. There may be areas in the system that have not been properly protected from security breaches and other attacks. We employ security systems, including sophisticated threat management systems and password encryption, designed to minimize the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent break-ins, damage and failures, there can be no assurance that these security measures will be adequate or successful. Failed security measures could have a material adverse effect on our business, our future financial performance and the trading price of the Equity Shares. Our business operations are based on a high volume of transactions. Although we take measures to safeguard against systems related and other fraud, there can be no assurance that we will be able to prevent fraud. Our reputation could be adversely affected by significant fraud committed by employees, customers or outsiders.

58. A reduction in long-term interest rates may increase our pension liabilities which may adversely affect our future financial performance and results of operations.

We operate a defined benefit pension fund scheme. A discount rate is used to calculate the present value of our future liabilities in relation to the scheme and is linked to the long-term yield on GoI securities. A reduction in the long-term interest rate would increase the present value of our pension obligations. As a result, we may be required to make further cash contributions to the scheme in order to cover the deficit which may in turn lead to an increase in its pension expenses. In a falling interest rate scenario, the held-to-maturity value of already invested securities is likely to go up, thereby offsetting the increase in present value of pension obligation to an extent.

59. There can be no assurance that we will be able to access capital as and when we need it for growth.

Unless we are able to access the necessary amounts of additional capital, any incremental capital requirement may adversely impact our ability to grow our business and may even require us to curtail or withdraw from some of our current business operations. There can be no assurance that we may be able to raise adequate additional capital in the future on terms favorable to us, or at all, and this may hamper our growth plans, apart from those that can be funded by internal accruals.

60. We face restrictions on lending to large borrowers, which may have a material adverse effect on our business, financial condition and results of

In August 2016, the RBI released the Guidelines on Enhancing Credit Supply for Large Borrowers through Market Mechanism. It was stated that corporate loans beyond the limit determined for a borrower, as per the guidelines, would attract additional provisions and higher capital. On June 3, 2019, the RBI released the Guidelines on LEF applicable to all scheduled commercial banks (other than regional rural banks) with a view to capture exposures and concentration risks more accurately and to align the previous guidelines and instructions on LEF with international norms, which superseded the previous circulars on large exposure framework. For further information, see *"Regulations and Policies"* on page 223.

From April 2019, in accordance with the LEF, our exposure limits for single and group borrowers are 20.0% and 25.0% of our Tier 1 capital funds, respectively. These limits may be subjected to further changes and revisions in future. These limits may be subjected to further changes and revisions in future. These new regulations may have a material adverse effect on our business, cash flows, financial condition and results of operations.

61. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties including remuneration paid to our Directors. For further information, see *"Financial Statements"* on page 299. We cannot assure you that we will receive similar terms in our related party transactions in the future and that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties.

The transactions we have entered into and any further transactions that we may have with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to us. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

62. Our contingent liabilities could materially and adversely affect our financial condition and results of operations.

As of September 30, 2023, our Bank had contingent liabilities amounting to ₹ 289,298.21 crore. The table below sets forth details of contingent liabilities:

Particulars	**As of September 30, 2023**
	(₹ crore)
Claims against our Bank not acknowledged as debts	2,129.09
Liability for partly paid investments	433.72
Liability on account of outstanding forward exchange contracts	240,239.22

Particulars	As of September 30, 2023
	(₹ crore)
Guarantees given on behalf of constituents:	
a. In India	27,360.51
b. Outside India	201.25
Acceptances, endorsements and other obligations	8,427.72
Other items for which our Bank is contingently liable	10,506.70
TOTAL	289,298.21

Most of the liabilities have been incurred in the normal course of business. If these contingent liabilities were to fully materialize or materialize at a level higher than we expect, it may materially and adversely impact our business, financial conditions, result of operations and prospects. If we are unable to recover payment from our customers in respect of the commitments that we are called upon to fulfill, our business, financial condition, cash flows, results of operations and prospects may be materially and adversely impacted.

63. The Bank has experienced negative cash flows from operating activities, investing activities and financing activities in the past.

The Bank's cash flows from operating activities, financing activities and investing activities in the corresponding periods are set forth below:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six months ended September 30, 2022	Six months ended September 30, 2023
	(₹ crore)				
Net cash from/(used in) operating activities	17,228.77	28,732.13	(27,943.14)	(26,401.56)	(7,980.72)
Net cash from/(used in) investing activities	(543.15)	(298.97)	(296.91)	(109.79)	(308.50)
Net cash from/(used in) financing activities	1,865.55	18.43	(1,543.42)	(809.54)	(1,071.08)
Cash and cash equivalents received on account of amalgamation	21,750.38	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	40,301.55	28,451.59	(29,783.47)	(27,320.89)	(9,360.30)

For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows*" on page 95. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate its business and implement growth plans.

64. We may face greater credit risks than banks in more developed countries.

Our principal business is to provide financing to our customers. We are subject to the credit risk that our borrowers may not pay in a timely fashion or at all. In addition, India's system for gathering and publishing statistical information relating to the Indian economy and the financial performance of companies is not as comprehensive as those of established market economies. Although India has a credit bureau industry, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, is limited. As a result, our credit risk exposure is higher compared with banks operating in advanced markets. Since our lending operations to the aforesaid categories are limited to India, we may be exposed to a greater potential for loss compared with banks with lending operations in more developed countries. We are subject to credit risk that the borrowers may not pay us in a timely fashion or at all. CIBIL does not presently report information from retailers, utility companies and trade creditors and no other nationwide bureau of this nature presently exists. The difficulties associated with the inability to accurately assess the value of collateral and to enforce rights in respect of collateral, along with the absence of such accurate statistical, corporate and financial information, may decrease the accuracy of our assessments of credit risk, thereby increasing the likelihood of borrower default on our loan and decreasing the likelihood that we would be able to enforce any security in respect of such a loan. The absence of reliable information, including audited financial statements, recognized debt rating reports and credit histories relating to our present and prospective corporate borrowers or other customers makes the assessment of credit risk, including the valuation of collateral, more difficult, especially for individuals and small businesses.

If our screening processes prove to be inadequate, we may experience an increase in impaired advances and may be required to increase our provision for defaulted advances. As a result, higher credit risk may expose us to greater potential losses, which may materially and adversely affect our business, prospects, financial condition and results of operations.

65. Any non-compliance with law or unsatisfactory service by the third-party service providers engaged by us for certain services could have an adverse impact on our business and results of operations.

We enter into outsourcing arrangements with third party vendors, separate employees and independent contractors, in compliance with the RBI guidelines on outsourcing. These vendors, employees and contractors provide services that include, among others, ATM/ card related services, business correspondents, facility management services related to information technology, software services and call center services. As a result of outsourcing such services, we are exposed to various risks including strategic, compliance, operational, legal and contractual risks. Any failure by a service provider to provide a specified service or a breach in security/ confidentiality or non-compliance with legal and regulatory requirements, may result in financial loss or loss of reputation. We cannot assure that there will be no disruptions in the provision of such services or that these third parties will adhere to their contractual obligation. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreement with us, our business, financial condition and results of operations will be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, which may result in litigation costs. For example, our Bank is using the services of Business Correspondent ("**BCs**"), through Corporate Business Correspondents ("**CBCs**") model, wherein we are empaneling the CBCs and in turn they deploy the BCs. In the last three fiscals and six months ended September 30, 2023, there is no instances of disruption in services. However, during the same period 13 number of frauds surfaced involving the amount of ₹ 2.43 crore. Out of this amount, Bank has already recovered ₹1.33 Crore and in the process of recovering the rest amount from CBCs, on the strength of Service Level Agreement executed between them and Bank. While there is no loss as a result for our Bank, however, such additional cost, in addition to the cost of entering into agreements with third parties in the same industry, may materially and adversely affect our business, financial condition and results of operations. The "Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by Bank" issued by the RBI on March 11, 2015, places obligations on banks, its directors and senior management for ultimate responsibility for the outsourced activity. Banks are required to provide prior approval for use of subcontractors by outsourced vendor and to review the subcontracting arrangements and ensure that such arrangements are compliant with aforementioned RBI guidelines. Legal risks, including actions being undertaken by the RBI, if our third-party service providers act unethically or unlawfully, could materially and adversely affect our business, financial condition and results of operations.

66. If we are covered by RBI guidelines relating to prompt corrective action then our business, future financial performance and results of operations could be materially and adversely affected.

On April 13, 2017, the RBI revised the Prompt Corrective Action ("**PCA**") framework for banks. The new PCA framework has stipulated thresholds for capital ratios, non-performing assets, profitability and leverage for banks. When the PCA framework is triggered, the RBI would have a range of discretionary actions it can take in addition to the corrective actions mentioned in the PCA. These discretionary actions include conducting supervisory meetings, conducting reviews, advising banks' boards for altering business strategy, review of capital planning, removing of managerial persons and superseding the Board, as per the classification of different risk threshold. We are currently not subject to the PCA framework. However, if we trigger any risk threshold under the PCA framework, it could materially and adversely affect our business, future financial performance and results of operations.

67. As the GoI controls a majority of our issued share capital and may take actions which are not necessarily in the interests of the Bank or of the other holders of the Equity and its public policy decisions may impact our strategy and operations.

The GoI controls a majority of our Bank's issued share capital. As of September 30, 2023, the GoI directly held 79.86% of our Bank's issued and paid up share capital. Although historically we have enjoyed certain autonomy from the GoI in the management of our affairs and strategic direction, as its controlling shareholder, the GoI is able to exercise effective control over our Bank. For more information on the Bank's shareholding structure, see *"Principal Shareholders and Other Information"* on page 218. In accordance with the Banking Regulation Act, the Government, in consultation with the RBI, has the power to appoint, re-appoint and/or terminate the appointment of the managing director or whole-time director, manager or chief executive officer. The Government may also, in consultation with the RBI, issue directives on matters of policy involving the public interest that may affect the conduct of the business affairs of the Bank in a manner which may be adverse to the other shareholders.

The Government will continue to have the power to directly or indirectly control the outcome of matters submitted to the Bank's board of directors or shareholders for approval and influence the policies of the Bank. For example, the Government could, by exercising its powers of control, delay or defer or initiate a change of control in the Bank or a change in the Bank's capital structure, delay or defer an amalgamation, consolidation, or discourage an amalgamation with another company or otherwise direct the Bank's affairs in a manner that could directly or indirectly favor the interests of the Government and could result in the Bank foregoing business opportunities.

The interests of the Bank's direct and indirect controlling shareholders may be different from, and conflict with, the Bank's interests or the interests of the Bank's other shareholders, and the Bank cannot assure you that the Government will not in the future exercise control over the Bank's business and major policy decisions. The Bank's direct and indirect controlling shareholders may also enable a competitor to take advantage of a corporate opportunity at the Bank's expense. Accordingly, there can be no assurance that the Government will not take actions or implement policies that are adverse to investors in the Equity Shares.

The Banking Companies Act mandates that the GoI's shareholding in our Bank cannot fall below 51.00%. This requirement could result in restrictions in our equity capital raising efforts as the GoI may not be able to fund any further investments that would allow it simultaneously to maintain its stake at a minimum of 51.00% and seek funding from the capital markets. As the Indian economy grows, more businesses and individuals will require capital financing. In order to meet and sustain increasing levels of growth in capital demand, we will need to accrete our capital base, whether through organic growth or capital market financing schemes. If we are unable to grow our capital base in step with demand, our business, financial prospects and profitability may be materially and adversely affected.

68. Our intellectual property rights may be subject to infringement or we may breach third party intellectual property rights.

We have established a brand, 'Indian Bank' which is registered under the Trademarks Act, 1999, as amended. We are accordingly subject to the risk of brand dilution and consequently, loss of revenue in case of any misuse of our brand name by our agents or any third party. In addition, we may not be able to protect our intellectual property rights against third party infringement and unauthorized use of our intellectual property, including by our competitors. Further, our inability to obtain or maintain these registrations may adversely affect our competitive business position. This may affect our brand value and consequently our business.

We may also be subject to claims by third parties, both inside and outside India, if we breach their intellectual property rights by using slogans, names, designs, software or other such subjects, which are of a similar nature to the intellectual property these third parties may have registered. While there have been no such instances in the last three Fiscals and three months ended September 30, 2023, however, any legal proceedings that result in a finding that we have breached third parties' intellectual property rights, or any settlements concerning such claims, may require us to provide financial compensation to such third parties or make changes to our marketing strategies or to the brand names of our products, which may have a materially adverse effect on our brand, business, prospects, financial condition and results of operations.

69. Changing laws, rules and regulations and legal uncertainties may adversely affect our business, financial condition, results of operations and prospects.

We are present through our Subsidiaries, Associates and Joint Ventures in diverse segments of the Indian financial sector, including housing finance and corporate agency services to insurance companies. The regulatory and policy environment in which we operate is evolving and subject to change. There can be no assurance that the GoI may not implement new regulations and policies which will require us and/ or any of our Subsidiaries, Associates and Joint Ventures to obtain approvals and licenses from the GoI and other regulatory bodies or impose onerous requirements, conditions, costs and expenditures on its operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm its results of operations.

For instance, labour laws in India are traditionally governed by multiple central government and state government legislations. With a view to harmonize and consolidate such multiple labour legislations, 29 existing central laws have been amalgamated into four labour codes. These codes regulate (i) wages (ii) social security (iii) occupational safety, health and working conditions and (iv) industrial relations. These labour codes have been passed by both houses of the Parliament and have received Presidential assent. While certain portions of the Code of Wages, 2019 have come into force upon notification by the Ministry of Labour and Employment, the remaining codes will come into force on the date to be notified by the Central government. The final set of schemes, rules and regulations under said labour codes are yet to be notified and the extent of impact on our financial condition, results of operations, and ability to comply with these laws cannot be ascertained.

70. Statistical and industry data in this Placement Document may be incomplete or unreliable.

Statistical and industry data used throughout this Placement Document has been obtained from various government and industry publications. While we believe that the information contained has been obtained from sources that are reliable, but neither we nor the Book Running Lead Managers have independently verified it and the accuracy and completeness of this information is not guaranteed and its reliability cannot be assured. The market and industry data used from these sources may have been reclassified by us for purposes of presentation. In addition, market and industry data relating to India, its economy or its industries may be produced on different bases from those used in other countries. As a result, data from other market sources may not be comparable. The extent to which the market and industry data presented in this Placement Document is meaningful will depend upon the reader's familiarity with and understanding of the methodologies used in compiling such data. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Placement Document. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based on such information.

71. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.

We intend to use the Net Proceeds for the purposes described in "*Use of Proceeds*" on page 92 of this Placement Document. As on the date of this Placement Document, our funding requirements are based on management estimates in view of past expenditures and have not been appraised by any bank or financial institution. They are based on current conditions and are subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. While we will use the Net Proceeds towards augmenting our Bank's Tier I Capital to meet our Bank's future capital requirements and to support growth plans and to enhance the business of our Bank or any other purposes in the manner specified in "*Use of Proceeds*" on page 92, the amount of Net Proceeds to be actually used will be based on our management's discretion. However, the deployment of the Net Proceeds will *not* be monitored by any monitoring agency. Our internal management estimates may exceed fair market value or the value that would have been determined by third-party appraisals, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and the results of operations.

72. Our auditors have referred to certain emphasis of matters in their reports on the Audited Financial Statements.

Our auditors have referred to certain emphasis of matters in their in their reports on the Audited Standalone Financial Statements for Fiscal 2021 and 2022. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 95. There can be no assurance that any similar emphasis of matters will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

RISKS RELATING TO INDIA

73. Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations and prospects.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the U.S. and several European countries during a part of Fiscal 2008 and 2009 adversely affected market prices in the global securities markets, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of our Equity Shares.

Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our equity shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

74. High rates of inflation in India could have an adverse effect on our results of operations.

India has, in the past, experienced sustained periods of high inflation. A return to high rates of inflation with a resulting rise in interest rates and any corresponding tightening of monetary policy may have an adverse effect on economic growth in India. Although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. In addition, high rates of inflation could increase our expenses related to salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our results of operations.

75. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Recent developments in the ongoing conflict between Russia and Ukraine has resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, adversely impact availability of natural gas which may lead to delay in projects in the gas sector, increase logistics times and costs, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we sell our products could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus.

76. Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on our business, financial condition, results of operations and cash flows.

As an Indian bank, our Bank is exposed to the risks of the Indian financial system, which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions, such as clearing agencies, banks, securities firms and exchanges, may be closely related as a result of credit, trading, clearing or other relationships. Our transactions with these financial institutions expose us to credit risk in the event of default by the counterparty, which can be exacerbated during periods of market illiquidity. As the Indian financial system operates within an emerging market, our Bank faces risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs, notwithstanding the existence of a national deposit insurance scheme. The problems faced by individual Indian financial institutions, and any instability in or difficulties faced by the Indian financial system generally, could create an adverse market perception about Indian financial institutions and banks in general. This in turn could adversely affect our business, financial condition, results of operations and cash flows and could result in a decrease in the price of the Equity Shares regardless of whether or not our business, financial condition, results of operations and cash flows were adversely affected.

77. Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business and results of operations.

Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

78. It may not be possible for investors to enforce any judgment obtained outside India against us, our Directors or our Executive Officers except by way of a lawsuit in India.

Our Bank is incorporated under the laws of India and all of our Directors are located in India. Majority of our fixed assets and all of our Directors, Key Managerial Personnel and Senior Management are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**CPC**"). India is not a party to any international multilateral treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges of a like nature, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, we cannot assure you that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such an amount may also be subject to income tax in accordance with applicable law. For details in relation to enforceability of judgments obtained outside India, see "*Enforcement of Civil Liabilities*" on page 21.

79. A third party could be prevented from acquiring control over our Bank because of anti-takeover provisions under Indian law and the provisions of the Banking Regulation Act.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in the control of our Bank. These provisions may discourage or prevent certain types of transactions involving actual or threatened change in the control of our Bank. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that the interests of investors/ Shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Bank. Further, given that our Bank is governed by the RBI, any significant change in shareholding would require the RBI's prior approval. Consequently, even if a potential takeover of our Bank would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of the regulatory framework applicable to our Bank.

80. Rights of Shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities and Shareholders' rights may differ from those that would apply to a bank in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as Shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as Shareholder in an Indian bank than as Shareholder of a corporation in another jurisdiction.

81. There may be less information available about the companies listed on stock exchanges in India compared with information that would be available if we were listed on securities markets in certain other countries.

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in India and that in the markets in the United States and certain other countries. SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about companies listed on an Indian stock exchange compared with information that would be available if that company were listed on a securities market in certain other countries. As a result, investors may have access to less information about the business, results of operations, cash flows and financial condition of companies, such as our Bank, listed on stock exchanges in India on an on-going basis than investors may find in the case of companies subject to reporting requirements of other countries.

RISKS RELATING TO THE EQUITY SHARES

82. We may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility.

Our Bank may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Offer due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation.

In the event our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

83. Any future issuance of Equity Shares could dilute the holdings of investors and could adversely affect the market price of the Equity Shares.

Our Bank may be required to finance our future growth through additional equity offerings. Any future issuance of Equity Shares could dilute the investors' holdings and could adversely affect the market price of the Equity Shares. In addition, any future issuances of Equity Shares, sales by any significant Shareholder or a perception in the market that such issuance or sale may occur, could adversely affect the trading price of the Equity Shares. Such securities may also be issued at a price below the then current trading price of the Equity Shares.

84. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

Indian securities markets are less developed and more volatile than securities markets in certain other economies, especially countries that are members of the Organization for Economic Cooperation and Development. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Indian stock exchanges have also experienced problems such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the United States. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies, the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

The Indian stock markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments in other emerging market countries, such as rising fiscal or trade deficits, or a default on national debt, may negatively affect investors' confidence in India, or may cause increased volatility in Indian stock markets and cause the price of the Equity Shares to decline.

85. After this Issue, the price of the Equity Shares may be volatile and the Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.

The Issue Price will be determined by our Bank, in consultation with the Book Running Lead Managers, based on Bids received in compliance with Chapter VI of the SEBI Regulations, and the Issue Price may not necessarily be indicative of the market price of the Equity Shares after this Issue is completed. The price at which the Equity Shares will trade at after the Issue will be determined by the marketplace and may be influenced by many factors, including:

- volatility in the Indian and global securities markets or prospects for our business and the sectors in which we compete;
- our financial condition, results of operations and cash flows;
- the history of and prospects for our business;
- an assessment of our management, our past and present operations and the prospects for, as well as timing of, our future revenues and cost structures;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial condition, including our results of operations and financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- changes in interest rates;
- fluctuations in stock market prices and volume; and
- general economic conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our financial condition, results of operations and cash flows. We cannot assure prospective investors that they will be able to resell their Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to the Issue.

86. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a Shareholder's ability to sell, or the price at which a Shareholder can sell, the Equity Shares at a particular point in time.

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the circuit breaker applicable to the Equity Shares is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may change the percentage limit of the circuit breaker from time to time. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of Shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares.

87. Our Bank is subject to regulatory restrictions on the payment of dividends to Shareholders.

The RBI has prescribed limits on the dividend pay-out ratio of banks in India linked to certain parameters such as the risk-based capital ratio and net non-performing assets ratio. Under the RBI's Basel III guidelines, banks are subject to higher minimum capital requirements and must maintain a capital conservation buffer above the minimum requirements to avoid restrictions on capital distributions and discretionary bonus payments. Any change in restrictions on payment of dividend or capital requirements may limit our ability to pay dividends to Shareholders. The declaration and payment of dividends are subject to the provisions of the Banking Regulation Act and regulations made thereunder, the RBI Act and regulations and guidelines made thereunder including RBI Circular (RBI/2004-05/451DBOD.NO.BP.BC.88/21.02.067/2004-05) dated May 4, 2005 ("RBI Dividend Circular"). Our Bank follows the Banking Regulation Act, the RBI Dividend Circular and Regulation 43A of the SEBI Listing Regulations in this regard.

In addition, vide a circular DOR.BP.BC.No.64/21.02.067/2019-20 dated April 17, 2020 read with circular DOR.BP.BC.No.29/21.02.067/2020-21 dated December 4, 2020, the Reserve Bank of India has directed that banks shall not make any dividend payment on equity shares from the profits pertaining to the financial year ended March 31, 2020 in order to conserve capital to retain their capacity to support the economy and absorb losses in an environment of heightened uncertainty caused by COVID-19. Accordingly, our Bank has not declared any dividend for Fiscal 2020. Further, vide a circular DOR.ACC.REC.7/21.02.067/2021-22 dated April 22, 2021, RBI partially modified of the instructions contained in circular DBOD.NO.BP.BC.88/ 21.02.067/2004-05 dated May 4, 2005, and allowed the banks to pay dividend on equity shares from the profits for the financial year ended March 31, 2021, subject to the quantum of dividend being not more than fifty percent of the amount determined as per the dividend pay-out ratio prescribed in the RBI Dividend Circular.

Dividends that our Bank has paid in the past may not be reflective of the dividends that our Bank may pay in a future period. Our Bank's future dividend policy will depend on its profits, cash flows, financial condition, capital requirements, compliance with RBI regulations and other factors. For further information, see "Dividend Policy" on page 94.

88. Investors' ability to acquire and sell the Equity Shares offered in this Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Placement Document. Investors will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of 12 months from the date of the allotment of the Equity Shares.

No actions have been taken to permit an offering of the Equity Shares offered in this Issue in any jurisdiction, except for India. As such, investors' ability to acquire Equity Shares offered in this Issue is restricted by the distribution and solicitation restrictions set forth in this Placement Document. For further information, see "*Selling Restrictions*" on page 258. Further, the Equity Shares offered in this Issue are subject to restrictions on transferability and resale pursuant to the SEBI Regulations, including that investors will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of 12 months from the date of the allotment of the Equity Shares. Further, allotments made to certain categories of eligible QIBs in this Issue are subject to the rules and regulations applicable to them, including certain lock-in requirements. For further information, see "*Transfer Restrictions*" on page 267. Investors are required to inform themselves on, and observe, these restrictions. Our representatives, agents and Bank will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in this Issue made other than in compliance with applicable law.

89. Investors may be subject to Indian taxes arising out of capital gains on sales of Equity Shares.

Under current Indian tax laws, capital gains arising from the sale of equity shares in an Indian company or bank are generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemptions. Accordingly, investors may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold.

Further, any gain realised on the sale of the Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of Equity Shares.

90. Foreign investors are subject to certain restrictions under Indian law in relation to transfer of Shareholding that may limit our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the valuation and reporting requirements specified under applicable law. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions, then prior approval of the relevant regulatory authority is required. Additionally, Shareholders who seek to convert rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and is subject to either the security having been sold in compliance with the pricing guidelines or the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. Our Bank cannot guarantee that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020, which came into effect from April 22, 2020, investments where the beneficial owner of the Equity Shares is situated in, or is a citizen of, a country which shares one or more land border(s) with India, can only be made through the Government approval route, as prescribed in the Foreign Direct Investment ("**FDI**") Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot guarantee that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, if at all. Our ability to raise foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, financial condition, results of operations and prospects.

91. The individual investment limit and aggregate foreign investment limit for registered FPIs in our Bank is currently 10.00% and 20.00%, respectively, of the total paid-up equity share capital of our Bank.

Foreign investment in India is governed by the provisions of FEMA along with the rules, regulations and notifications made by the RBI thereunder, and the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, from time to time. Under the current FDI Policy (effective October 15, 2020), investment in public sector banks up to 20.00% is permitted under the government approval route. In terms of the SEBI (Foreign Portfolio Investors) Regulations, 2019, the issue of Equity Shares to a single FPI including its investor group (which means the same multiple entities registered as foreign portfolio investors having common ownership directly or indirectly of more than 50.00% or common control) must be below 10.00% of our Bank's post-Issue paid-up equity share capital on a fully diluted basis. Further, in terms of the FEMA Rules, the total holding by each FPI, or an investor group, shall be below 10.00% of the total paid-up equity share capital, on a fully diluted basis, of our Bank, and the total holdings of all FPIs put together can be up to 20.00% of the paid-up equity share capital of our Bank, which is the sectoral cap applicable to our Bank.

As per the SEBI (Foreign Portfolio Investors) Regulations, 2019 and the relevant circulars issued thereunder, the above investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Notes. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments in our Bank.

92. Our ability to borrow in foreign currencies is restricted by Indian law.

Indian banks and companies are subject to foreign exchange regulations that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our ability to borrow in foreign currencies and, therefore, could negatively affect our ability to obtain financing on competitive terms. In addition, we cannot guarantee that any required approvals for borrowing in foreign currency will be granted to us without onerous conditions, if at all. Such, and other, limitations on raising foreign capital may adversely affect our business, results of operations, financial condition and cash flows.

93. Fluctuations in the exchange rate between the rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our operating results.

The Equity Shares are quoted in rupees on the Stock Exchanges. Any dividends in respect to the Equity Shares will be paid in rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividends to investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rates between the rupee and other have changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of the Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our operating results.

94. Bidders are not allowed to withdraw their Bids or revise their Bids downwards after the Bid/Issue Closing Date.

In terms of the SEBI ICDR Regulations, Bidders are not allowed to withdraw their Bids or revise their Bids downwards in terms of quantity of Equity Shares or the Bid Amount after the Bid/Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to an Allottee's demat account with the depository participant could take approximately seven days and up to 10 days from the Bid/Issue Closing Date. However, there is no assurance that material, adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material, adverse changes in our business, results of operation or financial condition, or other events affecting the Bidder's decision to invest in the Equity Shares would not arise between the Bid/Issue Closing Date and the date of the Allotment of Equity Shares in the Issue. The occurrence of any such events after the Bid/Issue Closing Date could also adversely impact the market price of the Equity Shares. Bidders shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. Our Bank may complete the Allotment of the Equity Shares even if such events may limit the Allottees' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

95. Investors will be subject to market risks until the Equity Shares credited to their demat accounts are listed and permitted to be traded.

Investors can start trading the Equity Shares allotted to them in the Issue only after they have been credited to an investor's demat account, are listed and are permitted to be traded. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account, or that trading in the Equity Shares will commence in a timely manner.

96. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Holders of our Equity Shares are entitled to pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new Equity Shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such a resolution. However, if the law of the jurisdiction that a Shareholder is in does not permit the exercise of such pre-emptive rights without our Bank filing an offering document or registration statement with the applicable authority in such jurisdiction, such a Shareholder will be unable to exercise their pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to Shareholders by Indian law. To the extent that Shareholders are unable to exercise their pre-emptive rights in respect of the Equity Shares, they may suffer future dilution of their ownership positions and their proportional interests in us would be reduced.

97. Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.

The U.S. "Foreign Account Tax Compliance Act" (or "**FATCA**") imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain "foreign passthru payments" made by certain non-U.S. financial institutions (including intermediaries).

If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered "foreign passthru payments". Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered "foreign passthru payments". The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address "foreign passthru payments" and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as "foreign passthru payments". Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

98. U.S. holders should consider the impact of the passive foreign investment company rules in connection with an investment in our Equity Shares.

A foreign corporation will be treated as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of its gross assets during the taxable year (based on of the quarterly values of the assets during a taxable year) are "passive assets," which generally means that they produce passive income or are held for the production of passive income.

There can be no assurance that our Bank will or will not be considered a PFIC in the current or future years. The determination of whether or not our Bank is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Bank will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Bank's income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Bank's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably

MARKET PRICE INFORMATION

The Equity Shares have been listed on BSE and NSE since March 1, 2007. As of the date of the Preliminary Placement Document, 1,24,54,41,139 Equity Shares of our Bank are issued, subscribed and fully paid up. The equity shares have been listed on BSE and NSE since March 1, 2007. The Equity Shares are listed and traded on NSE under the symbol INDIANB and BSE under the scrip code 532814.

On December 14, 2023, the closing price of Equity Shares on BSE and NSE was ₹449.60 and ₹449.45 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for BSE and NSE has been given separately.

(i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on BSE and NSE on the dates on which such high and low prices were recorded for Fiscal 2021, 2022 and 2023:

BSE

Financial Year ended March 31,	High (₹)	Date of high(1)	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ crore)	Low (₹)	Date of low(1)	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ crore)	Average price for the year (₹)(2)
2021	149.70	18-02-2021	10,41,704	15.81	43.70	28-05-2020	1,02,326	0.45	73.98
2022	190.00	27-11-2021	3,56,044	6.74	98.65	19-04-2021	2,33,634	2.29	141.20
2023	304.80	31-01-2023	1,43,867	4.30	137.60	12-05-2022	3,27,436	4.58	220.09

(Source: www.bseindia.com)

Notes:

(1) High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.

(2) Average price for the year represents the average of daily closing prices on each day of each year

NSE

Financial Year ended March 31,	High (₹)	Date of high(1)	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ crores)	Low (₹)	Date of low(1)	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ crores)	Average price for the year (₹)(2)
2021	149.90	18-02-2021	1,82,15,508	276.22	43.65	28-05-2020	22,20,593	9.78	73.99
2022	189.45	27-11-2021	67,46,856	127.76	98.60	19-04-2021	37,13,126	36.43	141.21
2023	304.75	31-01-2023	46,86,789	140.31	137.75	12-05-2022	27,38,548	38.35	220.16

(Source: www.nseindia.com)

Notes:

(1) High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.

(2) Average price for the year represents the average of daily closing prices on each day of each month.

(ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on BSE and NSE on the dates on which such high and low prices were recorded during each of the last six months:

BSE

Month ended	High (₹)	Date of high[1]	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ crore)	Low (₹)	Date of low[1]	Number of Equity Shares traded on the date of low	Total turnover of Equity shares traded on the date of low (₹ crore)	Average price for the month (₹)[1]
June 2023	292.60	30-06-2023	1,12,899	3.25	274.80	01-06-2023	97,216	2.66	281.14
July 2023	346.25	31-07-2023	58,187	2.00	297.90	03-07-2023	1,94,207	5.77	321.56
August 2023	410.10	22-08-2023	61,353	2.51	342.25	03-08-2023	69,428	2.36	383.56
September 2023	431.90	27-09-2023	1,19,456	5.21	377.15	01-09-2023	37,730	1.43	403.98
October 2023	440.95	03-10-2023	1,94,448	8.45	400.45	26-10-2023	1,07,082	4.31	419.78
November 2023	447.15	13-11-2023	93,209	4.10	397.30	30-11-2023	2,10,176	8.47	422.53

(Source: www.bseindia.com)

Notes:

(1) High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.

(2) Average price for the month represents the average of daily closing prices on each day of each month.

NSE

Month ended	High (₹)	Date of high[1]	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ crore)	Low (₹)	Date of low[1]	Number of Equity Shares traded on the date of low	Total turnover of Equity shares traded on the date of low (₹ crore)	Average price for the month (₹)[1]
June 2023	292.55	30-06-2023	35,59,269	103.07	274.90	01-06-2023	18,31,486	50.17	281.24
July 2023	346.90	31-07-2023	14,44,351	49.65	297.85	03-07-2023	24,25,346	72.13	321.72
August 2023	410.45	22-08-2023	10,03,166	41.13	342.50	03-08-2023	12,01,799	40.94	383.41
September 2023	431.80	27-09-2023	47,14,312	205.96	377.10	01-09-2023	8,45,290	32.03	403.97
October 2023	441.30	03-10-2023	29,10,149	126.36	400.55	26-10-2023	20,57,125	82.69	419.93
November 2023	447.05	13-11-2023	36,34,585	160.50	396.90	30-11-2023	1,16,28,639	464.93	422.67

(Source: www.nseindia.com)

Notes:

(1) High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.

(2) Average price for the month represents the average of daily closing prices on each day of each month.

(i) The following table set forth the details of the number of Equity Shares traded and the turnover during the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 on the Stock Exchanges:

Period	Number of Equity Shares Traded		Turnover (In ₹ crore)	
	BSE	NSE	BSE	NSE
Year ended March 31, 2021	6,09,91,492	91,78,85,288	513.02	7804.29
Year ended March 31, 2022	6,87,28,282	1,00,00,16,090	1016.31	14703.98
Year ended March 31, 2023	2,97,10,843	47,77,64,016	647.24	10856.37

(Source: www.bseindia.com and www.nseindia.com)

(ii) The following table set forth the details of the number of Equity Shares traded and the turnover during the six immediately preceding months:

Period	Number of Equity Shares Traded		Turnover (In ₹ crore)	
	BSE	NSE	BSE	NSE
June 2023	11,96,278	2,49,66,844	33.61	703.72
July 2023	24,12,453	4,06,58,400	77.25	1308.77
August 2023	25,66,481	5,19,47,966	98.94	2010.65
September 2023	23,70,477	5,70,33,643	97.30	2,364.15
October 2023	13,17,602	2,93,74,316	55.50	1,237.59
November 2023	12,67,513	3,31,57,189	53.88	1,390.53

(Source: www.bseindia.com and www.nseindia.com)

(iii) The following table sets forth the market price on BSE and NSE on May 9, 2023, i.e., the first working day following the approval of the Board of Directors for the Issue:

Stock Exchange	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ crore)
BSE	317.30	322.15	293.45	296.80	3,03,741	9.26
NSE	318.00	322.00	293.85	296.75	47,38,997	144.44

(Source: www.bseindia.com and www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from the Issue are approximately ₹4,000.00 crore. Subject to compliance with applicable laws and regulations, the net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue from the aggregate proceeds of the Issue, are expected to ₹ 3,979.77 crore ("**Net Proceeds**").

Purpose of Funds and Utilization of Net Proceeds

Subject to compliance with applicable laws, our Bank intends to utilize the Net Proceeds towards augmenting our Bank's Tier I Capital to meet additional requirement on account of capital conservation buffer and to support growth plans and to enhance the business of our Bank.

Schedule of deployment of funds

Our Bank currently proposes to deploy the Net Proceeds in the aforesaid object in Fiscal 2024.

Monitoring of utilization of funds

In terms of the proviso to Regulation 173A(1) of the SEBI ICDR Regulations, our Bank is not required to appoint a monitoring agency for this Issue.

Other Confirmations

The Net Proceeds are proposed to be deployed towards the purpose set out above and are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose (i) the break-up of cost of the project (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, is not applicable.

None of our Directors are making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue.

CAPITALISATION STATEMENT

The following table sets forth our Bank's capitalization (on a consolidated basis) on an actual basis as at September 30, 2023, which has been extracted from our Audited Financial Statements, and as adjusted to give effect to the receipt of the gross proceeds of the Issue. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" beginning on pages 95 and 299, respectively.

(In ₹ crore)

Particulars	Pre-Issue (as at September 30, 2023	Post-Issue as adjusted[1]
Current borrowing:		
Secured	-	-
Unsecured	7,567.57	7,567.57
Non-current borrowing		
Secured	-	-
Unsecured **(including current maturities of long-term debt)**	17,371.55	17,371.55
Total borrowing (a)	**24,939.12**	**24,939.12**
Shareholders' funds:		
Share capital	1,245.44	1,346.96
Securities premium	2,391.55	6,290.03
Reserves and surplus (excluding securities premium)	49750.06	49750.06
Non-controlling Interest	27.55	27.55
Shareholders funds (excluding borrowings) (b)	**53,414.60**	**57,414.60**
Total capitalization (a + b)	**78,353.72**	**82,353.72**
Current Borrowing / Shareholders Funds	**14.17%**	**13.18%**
Total Borrowing / Shareholders Funds	**46.69%**	**43.44%**

Note:

(1) As adjusted to reflect the number of Equity Shares issued pursuant to the Issue and proceeds from the Issue. Adjustments do not include Issue related expenses.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Banking Regulation Act and regulations made thereunder, the RBI Act and regulations and guidelines made thereunder including RBI Circular (RBI/2004-05/451DBOD.NO.BP.BC.88/21.02.067/2004-05) dated May 4, 2005 ("**RBI Dividend Circular**"). Our Bank follows the Banking Regulation Act, the RBI Dividend Circular and Regulation 43A of the SEBI Listing Regulations in this regard.

For eligibility criteria for declaration of dividend in terms of the RBI Dividend Circular, see "*Regulations and Policies*" and "*Description of the Equity Shares - Declaration of Dividend*" on pages 223 and 275, respectively. For a summary of certain Indian tax consequences of dividend distributions to shareholders, see "*Taxation*" on page 278.

Further, *vide* a circular DOR.ACC.REC.7/21.02.067/2021-22 dated April 22, 2021, RBI partially modified of the instructions contained in circular DBOD.NO.BP.BC.88/ 21.02.067/2004-05 dated May 4, 2005, and allowed the banks to pay dividend on equity shares from the profits for the financial year ended March 31, 2021, subject to the quantum of dividend being not more than fifty percent of the amount determined as per the dividend pay-out ratio prescribed in the RBI Dividend Circular.

The details of dividend paid by our Bank are set out in the following table:

Fiscal	Issued and paid-up share capital (number of shares)	Face Value of Equity Share (In ₹)	Interim dividend per Equity Share (In ₹)	Final dividend per Equity Share (In ₹)	Total amount of dividend (In ₹ crores)	Dividend Rate (%)	Dividend Distribution Tax, where applicable (in ₹ crores)
Up to September 30, 2023	1,24,54,41,139	10.00	-	-	-	-	-
2023	1,24,54,41,139	10.00	-	8.60	1,071.08	86%	-
2022	1,24,54,41,139	10.00	-	6.50	809.54	65%	-
2021*	1,24,54,41,139	10.00	-	2.00	249.09	20%	-

**As on March 31, 2021 number of shares outstanding was 1,12,93,66,570. Number of new Equity shares allotted pursuant to QIP on 25.06.2021 were 11,60,74,569. Record Date for payment of Dividend of FY 2020-21 was fixed as 09.07.2021. Accordingly, Dividend was paid on 1,24,54,41,139 shares.*

The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Bank or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future. The form, frequency and amount of future dividends declared by our Bank will depend on a number of internal and external factors, including, but not limited to, the financial performance including profits earned (both standalone and consolidated), available distributable reserves, etc., working capital requirement, capital expenditure requirement, cash flow required to meet contingencies and unforeseen events, macroeconomic and business conditions in general, stipulations / covenants of loan agreements and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

The Equity Shares to be issued in connection with this Issue shall qualify for any dividend, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted. For further details, please see the section entitled "*Description of the Equity Shares*" beginning on page 275.

Also please see the sections entitled "*Taxation*", "*Regulations and Policies – Declaration of Dividends by banks*" and "*Risk Factors*" beginning on pages 278, 223 and 49, respectively.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Bank or for an investment in the Equity Shares offered in the Issue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the financial condition and results of operations of the Bank and the Group is based on or derived from the Audited Financial Statements and accompanying notes as of and for the years ending March 31, 2021, 2022 and 2023 and the Bank's Reviewed Financial Results as of and for the six months ended September 30, 2022 and September 30, 2023. This discussion should be read together with the sections "Selected Financial Information", "Selected Statistical Information" and "Financial Statements" on pages 33, 122 and 299, respectively.

The Bank's fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the 12-month period ended on March 31 of that year. Further, all information regarding cost, yield and average balances are based on daily average of balances outstanding during the relevant period.

The Bank prepares its financial statements in accordance with the requirements prescribed under the Third Schedule of the Banking Regulation Act, in accordance with prevailing practices within the banking industry in India and Indian GAAP, which differs in some respects from IFRS. The Financial Statements reflect applicable statutory requirements, regulatory guidelines and accounting practices in India; these requirements, guidelines and practices change from time to time. In accordance with Indian GAAP, adjustments to reflect such changes are made on a prospective basis, and financial statements for earlier periods are not restated. For the purposes of a comparative analysis in the discussion below, previous years' figures have been reclassified wherever necessary.

This discussion contains forward-looking statements and reflects the Bank's current views with respect to future events and financial performance. Such statements are subject to certain risks, uncertainties and assumptions that could cause the Bank's actual results to differ materially from those anticipated in these forward-looking statements, including those set forth under the section titled "Forward-Looking Statements". Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as those set forth under "Risk Factors" and elsewhere in this Placement Document.
Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, and includes statistics derived from various government publications and industry sources.

Unless otherwise stated, references to "the Bank" or "our Bank", are to Indian Bank on a standalone basis and references to "Group" are to Indian Bank on a consolidated basis.

OVERVIEW

The Bank is seventh largest public sector banks in India as per global business for Fiscal 2023. *(Source: https://www.iba.org.in/depart-res-stcs/key-bus-stcs.html; last accessed on December 11, 2023)* As of September 30, 2023, the Bank's total assets, net advances and deposits stood at ₹738,766.72 crore, ₹470,626.58 crore and ₹640,802.66 crore, respectively. Having originated out of Southern India, the Bank has strengthened its brand and reputation over the years as it expanded its operations across India. Further, the amalgamation with erstwhile Allahabad Bank has resulted in larger balance sheet size and optimized capital utilization, wider geographic reach leading to deeper penetration, sharing and scale of product capabilities and platforms with greater cross sell across segments, increase in operational and process efficiencies through scale benefits and elimination of duplication.

The amalgamation of the erstwhile Allahabad Bank into our Bank came into effect on April 1, 2020. Since the amalgamation, we have worked diligently to harmonize and transform the policies, products and processes of our new amalgamated Bank. We rolled out a new organizational structure, expanded our pan-India presence and rationalized the number of branches for effective operations.

As of September 30, 2023, the Bank had over 15 crore customer accounts, reflecting its large customer base, with operations across 28 states and 6 union territories with 21,511 touch points in India. The Bank also has two branches in Sri Lanka, one branch in Singapore and one IFSC branch in GIFT City, Gandhinagar Gujarat as of September 30, 2023. Other distribution channels include internet banking, e-remittance, SMS banking and mobile banking.

The Bank's primary banking operations currently include fund-based and non-fund-based facilities for retail, agriculture and micro, small and medium enterprises and corporate customers.

The principal banking operational units of the Bank include:

- Retail Banking;
- Micro, Small and Medium Enterprises ("**MSME**") Banking;
- Agricultural Banking;
- Corporate Banking;
- International Banking; and
- Other Services.

Through its banking operational units, the Bank offers deposit products, foreign exchange products, fee and commission-based products and services, international banking products and services, and other banking products and services, such as the distribution of mutual fund and insurance products. It also engages in treasury operations and are also engaged in the business of housing finance, merchant banking, depository participant services, general insurance and act as an asset reconstruction company through our subsidiaries, joint ventures and associates.

Over the years, the Bank has taken several steps to reorient itself back onto a path of sustainable growth and profitability. Among these steps, the Bank has undertaken better NPA management, better credit monitoring (through early warning signals) and capacity building of personnel. The Bank also made several investments in technology and data analytics to transform its operating architecture into a technology enabled digital operating platform. As of September 30, 2023, our Bank had 0.98 crore internet banking users and 1.51 crore mobile banking users. Our Bank has focused on modernizing and expanding its retail customer touch points by implementing advanced digital banking platforms, such as mobile banking through the 'IND OASIS' mobile app, internet banking, online account opening facility and digital lending. In addition, the Bank also digitally-enabled its asset liability management, loan origination, cash management and financial reporting areas, thus improving its internal risk management processes.

The table below sets forth the Bank's selected key ratios:

	For the Fiscal year ended / As of March 31,			**For the six months ended / As of September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
Provision coverage ratio (%)	82.12	87.38	93.82	91.08	95.64
Return on equity ratio (%)	10.63	12.13	14.73	14.00	18.90
Return on asset ratio (%)	0.50	0.63	0.77	0.72	1.01
Capital adequacy ratio (CRAR) (%)	15.71	16.53	16.49	16.15	15.53
Gross NPA as a percentage of Gross Advance (%)	9.85	8.47	5.95	7.30	4.97

The Bank's net interest income was ₹ 15,665.95 crore, ₹ 16,727.95 crore, ₹ 20,225.46 crore, ₹ 9,217.95 crore and ₹ 11,443.70 crore in Fiscal 2021, 2022, 2023 and six months ended September 30, 2022 and September 30, 2023, respectively. Net interest margin was 2.81%, 2.93%, 3.37%, 3.13% and 3.51%, in Fiscal 2021, 2022, 2023 and six months ended September 30, 2022 and September 30, 2023, respectively. Total interest income was ₹ 39,105.79 crore, ₹ 38,856.22 crore, ₹ 44,942.21 crore, ₹ 20,863.56 crore and ₹ 26,792.67 crore in Fiscal 2021, 2022, 2023 and six months ended September 30, 2022 and September 30, 2023, respectively.

PRINCIPAL FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our results of operations and financial condition:

Macroeconomic Conditions in India

As a bank with the majority of its operations in India, our Bank's financial position and results of operations have been and will continue to be significantly affected by overall economic growth patterns in India. While our Bank's results may not necessarily track India's economic growth figures, the Indian economy's performance affects the environment in which our Bank operates. Strong economic growth tends to positively impact our Bank's results of operations, since it can cause businesses to plan and invest more confidently, in turn driving stronger demand for bank credit as well as other banking products and services that our Bank offers. Stronger economic growth also generally increases the interest income that our Bank is able to generate from the loans it offers and tends to improve the overall creditworthiness of our Bank's customers.

Non-Performing Loans and Provisioning

The level of our Bank's non-performing loans is affected by, among other things, the general level of economic growth in India, the difficulties inherent in restructuring problem loans, the amount of non-performing loans written-off and our Bank's credit approval and monitoring policies. Other factors include a rise in unemployment, prolonged recessionary conditions, decline in household savings and income levels, regulators' assessment and review of our Bank's loan portfolio, a sharp and sustained rise in interest rates, refinance risks due to slow-down in lending by non-banking financial companies, housing finance companies and other financial intermediaries, movements in global commodity markets and exchange rates, each of which could cause a further increase in the level of NPAs. An increase in the volume of our Bank's NPAs may require our Bank to increase its provisions against advances, investments and the related recovery and litigation costs. To the extent that the Bank is required to make additional provisions on account of its NPAs, such provisions are charged to the Bank's profit and loss account and decrease the Bank's profitability.

The Indian corporate sector has experienced several challenges in recent years following a phase of significant expansion in investment in the infrastructure and industrial sectors during fiscal 2010 and 2011. Starting in fiscal 2012, the Indian corporate sector experienced several challenges which led to lower than projected cash flows for corporates and the progress in reducing leverage in the corporate sector remained slow. These challenges included delays in project implementation, issues assessing raw materials, low demand and global commodity price cycles, which resulted in a decline in the credit quality of corporate borrowers. Newly issued RBI guidelines on the resolution of stressed assets and the Amalgamation also contributed to a significant increase in the provisions and contingencies for NPAs.

Our loan portfolio includes loans to a wide range of businesses and industries. Financial difficulties experienced by our customers or by particular sectors of the Indian economy, to which we have historically had and continue to have significant exposure, could significantly increase our NPA levels. The gross NPA ratio as of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and September 30, 2023 was 9.85%, 8.47%, 5.95%, 7.30% and 4.97%, respectively. Net NPAs as of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and September 30, 2023 were ₹ 12,271.13 crore, ₹ 8,848.65 crore, ₹ 4,043.07 crore, ₹ 6,174.13 crore and ₹ 2,825.85 crore, respectively. The net NPA ratio as of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and September 30, 2023 3.37%, 2.27%, 0.90%, 1.50% and 0.60%, respectively. Finally, the Bank's provisioning coverage ratio as of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and September 30, 2023 was 82.12%, 87.38%, 93.82%, 91.08% and 95.64%, respectively.

The RBI is active in its identification, classification and recovery of NPAs. The GoI has also enacted the Insolvency and Bankruptcy Code, 2016 ("**IBC**") to address the concerns of lenders and which provides corporate debtors with an exit mechanism. In addition, the Banking Regulation (Amendment) Act, 2017, provides that the central government may by order authorize the RBI to issue directions to banking companies to initiate insolvency proceedings under the IBC. The RBI also issued a revised framework for resolution of stressed assets through a circular dated June 7, 2019 ("**Revised Framework**"), to harmonize and simplify the framework for resolution of stressed assets under which the RBI has put in place a strict timeline over which a resolution plan must be implemented, failing which stressed accounts must be referred to the IBC.

Our Bank makes provisions for restructured accounts in accordance with RBI guidelines. Pursuant to RBI prudential guidelines on restructuring of advances by banks, we may not be allowed to initiate recovery proceedings against a corporate borrower, where the borrower's aggregate total debt is ₹ 15 billion or more and 60% of the creditors by number and at least 75% of the creditors by value decide to restructure their advances. In such a situation, we are restricted to a restructuring process only as approved by the majority lenders. If we own 20% or less of the debt of a borrower, we could be forced to agree to an extended restructuring of debt which may not be in our interests.

There has been a gradual increase in the requirement for provisioning for restructured assets. In addition, NPAs when upgraded to standard attract a higher provision in the first year of being upgraded. Our Bank's net restructured asset considered standard as of March 31, 2023 and September 30, 2023 was ₹ 18,017.47 crore, and ₹ 14,811.78 crore, respectively equivalent to 4.01% and 3.15% of our Bank's net advances. As per RBI guidelines dated April 18, 2017, additional provisioning is required in respect of standard accounts in certain stressed sectors of the economy such as telecom, engineering, iron and steel, which will result in additional provisioning and adversely impact our profitability.

Subsequently, the Supreme Court of India in *Small Scale Industrial Manufactures Association (Regd.) vs Union of India and others* through a judgment dated March 23, 2021 has directed that the interim order granted on September 3, 2020 to not declare the accounts of borrowers as NPAs stands vacated. Moving forward from the date of the judgment on March 23, 2021, the Bank will resume recognizing overdue accounts not previously recognized as NPAs, as NPAs. In addition, in the judgment referred to above, the Supreme Court has directed that there shall be a waiver of interest on interest/ compound interest/ penal interest for the period during the moratorium for borrowers for lending institutions. Pursuant to the judgment, whatever the amount recovered by way of interest on interest/ compound interest/ penal interest for the period during the moratorium, the same shall be refunded and adjusted in the next installment of the loan account.

At a minimum, we make provisions in accordance with RBI guidelines, though we may provide in excess of RBI requirements to reflect our internal estimates of actual losses. If there is any deterioration in the quality of our security or further ageing of assets after being classified as non-performing, we may be required to increase our provisions. Moreover, our ability to manage NPA levels will depend on our ability to recover NPAs in a manner consistent with past abilities and further improve our internal controls and processes. Our ability to reduce or contain the level of our NPAs is also dependent on a number of factors beyond our control, such as increased competition, economic conditions with respect to specific industries, fluctuations in interest and exchange rates or changes in laws and regulations.

Regulatory measures and reforms

The banking sector in India is subject to stringent regulation and supervision by a number of governmental organizations and regulatory agencies including the RBI and the SEBI. The regulatory regime governing banks in India covers various aspects including corporate governance, acceptance of deposits, provision of loans and advances and NPAs, investments, risk management, foreign investment, foreign exchange management, capital adequacy, margin requirements, know-your customer and anti-money laundering.

The GoI has since 2013 introduced various economic reforms intended to provide increased control and transparency in the banking and financial services industry. In the recent past, the RBI has introduced additional measures to deal with stressed assets, including the revised framework for resolution of stressed assets issued by the RBI in February 2018, which may increase our provisioning requirements that may impact our financial performance.

The RBI is also authorized to (in consultation with the GoI) to supersede the board of directors of a bank for a period not exceeding a total period of 12 months, in public interest or to prevent the affairs of any bank from being conducted in a manner detrimental to the interest of the depositors or to ensure proper management. The GoI has also introduced the Insolvency and Bankruptcy Code, 2016 in May 2016. In order to strengthen banks' ability to effectively resolve stressed assets and enhance transparency, the RBI has issued guidelines on the sale of stressed assets by banks. These guidelines require banks to identify the specific financial assets identified for sale to other institutions, including securitisation companies/ reconstruction companies. Since April 1, 2017, the RBI has implemented revised guidelines for prompt corrective action which enable RBI to implement certain operational restrictions on banks when certain risk thresholds are breached. These measures include restrictions on expansion of branch network, dividend payments, as well as lending limits to an entity or a particular sector. Other similar measures and regulatory developments relating to the Indian banking and financial services industry may have a significant impact on our operations and financial performance.

The dual goods and service tax ("**GST**") model adopted by India includes GST levied by central government and levies by all States (including Union Territories). While the full impact of the implementation of GST on the economy is uncertain, it is likely to have an impact on our results of operation and financial condition. For further information on reforms to the banking sector, see "*Industry Overview*" on page 160.

Capital adequacy, liquidity requirements and reserve ratios

Since 2013, the RBI has gradually established more stringent compulsory deposit requirements and capital adequacy requirements (e.g., CRR and SLR ratios). The Bank is required to maintain a minimum holding of 18% of its demand and time liabilities in SLR securities as stipulated by the RBI with effect from April 11, 2020. The surplus funds of the Bank's deposits and advances are invested by the domestic Treasury, while the Bank is not paid interest on capital reserve balances. More stringent compulsory deposit requirements and capital adequacy requirements tend to negatively impact banks' capital position, thus requiring banks to commit additional capital in order to meet such increased requirements. This tends to decrease overall liquidity in the financial system and decrease the amount of capital available for deployment in credit transactions or higher-yielding investments, which negatively impacts banks' interest-earning assets.

Any increases in the compulsory deposit requirements or capital adequacy requirements that are applicable to the Bank (on account of regulatory changes or otherwise) could impact the Bank's profitability by limiting the amount of the Bank's capital that is available for commercial credit transactions or for investment in higher-yielding securities, thus restricting the Bank's ability to grow its business. For example, when the CRR increases, the Bank must hold more cash in its reserves, which constrains its ability to deploy those funds by making advances to customers or investing the funds for potential gains. The Bank may also be compelled to dispose of certain of its assets and/or take other measures in order to meet more stringent requirements, which may adversely affect the Bank's results of operations and financial condition.

The table below summarizes the cash reserve ratios, statutory liquidity ratios and liquidity coverage ratios that are applicable to banks in India:

	Cash Reserve Ratio	**Statutory Liquidity Ratio**	**Liquidity Coverage Ratio**
	(% as of the date indicated)		
As of March 31, 2021	3.50%	18.00%	90.00%
As of March 31, 2022	4.00%	18.00%	100.00%
As of March 31, 2023	4.50%	18.00%	100.00%

Source: RBI

For more details on the compulsory deposit requirements and capital adequacy requirements applicable in India, see "*Regulations and Policies— Capital adequacy requirements*" on page 223.

Fiscal deficits

An increase in the fiscal deficit also has negative consequences for banks. A higher fiscal deficit results in higher government borrowings which leads to increased interest rates by crowding out private investments. This in turn leads to higher bond yields. Any other changes in the regulatory environment as pertaining to the Indian banking industry could have a material impact on the Bank's operations and financial condition. For further details, please refer to "*Risk Factors— Risks Relating to India*" on page 49.

Interest income

Our results of operations depend largely on our net interest income. Our net interest income is determined by the amount of interest-earning assets and interest-bearing liabilities, and on our spread, which is the difference between the average rate earned on our interest-earning assets and the average rate payable on our interest-bearing liabilities. For Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023, our Bank's net interest income, as a percentage of total income, was 35.00%, 36.55%, 38.83%, 37.94% and 37.53%, respectively. Our net interest income is affected by a number of factors including interest rates, our ability to allocate funds to assets that provide high interest rates, and cost of funding.

Interest rates

Changes in interest rates affect the interest rates we charge on our interest-earning assets and that we pay on our interest-bearing liabilities. Indian Banks including us follow the broad guidelines issued by RBI regarding interest rates on deposits and advances while independently deciding the rates. Decreases in the RBI policy rates would prompt Indian banks to re-examine their lending rates. Adverse changes in prevailing interest rates may result in a decline in net interest income due to increase in our costs of funds or deposits without a corresponding increase in our yield on assets. Interest rates are highly sensitive to many external factors beyond our control, including growth rates in the economy, inflation, money supply, RBI's monetary policies, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors.

Allocation of funds

In recent years, there has been increased demand for funding across many sectors of the Indian economy. The growth of the Indian economy has enabled us to allocate our funds from government securities to advances, which offer us higher returns subject to maintaining minimum statutory requirements. Further, we diversify our net interest income portfolio by lending to retail customers, large corporates and small and medium enterprises across various industry segments. If the volume of our loans decreases due to a general slowdown in the economy, increased competition or other factors, our net interest income will decrease as well. In addition, we seek to allocate our funds in an optimum manner at any point of time depending on our liquidity and prevailing interest rates.

Sources of funding

Our primary interest-bearing liability is our deposit base. To continue to source low-cost funding through customer deposits, we must, among other measures, further expand our branch network, increase brand recall and develop products and services to distinguish ourselves in an increasingly competitive industry. However, increasing customer sophistication, competition for funding, any sharp increase in prevailing interest rates and changes to the RBI's liquidity and reserve requirements may increase the rates that we pay on our deposits. As of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and September 30, 2023, our Bank had total deposits of ₹ 538,071.11 crore, ₹ 593,617.81 crore,₹ 621,165.76 crore, ₹ 588,859.99 crore and ₹ 640,802.67 crore, respectively, and an advance to deposit ratio (calculated as gross advances divided by deposits) of 72.54%, 70.02%, 76.24%, 74.37%and 76.82%, respectively. Our Bank's CASA ratio was 42.30% for Fiscal 2021, 41.77% in Fiscal 2022 which further increased to 41.99% in Fiscal 2023. Our CASA ratio was 40.94% for the six months ended September 30, 2022 and 40.11% for the six months ended September 30, 2023.

Our ability to meet demand for new loans and lower our cost of funding will depend on our ability to continue to broad base our deposit profile, our ability to attract and retain new customers, and our continued access to term deposits from the retail, corporate and inter-bank market. Our debt service costs and cost of funds depend on many external factors, including developments in the Indian credit markets and, in particular, interest rate movements and the existence of adequate liquidity in the inter-bank markets. Internal factors that will impact our cost of funds include changes in our credit ratings, available credit limits and our ability to mobilize low-cost deposits, particularly through our retail banking branches.

Competition

We face competition in all our principal areas of business. Other public sector banks, private sector banks and foreign banks are our main competitors, followed closely by finance companies, insurance companies, asset and wealth management companies, development financial institutions, mutual funds and investment banks. We may also face increased competition from foreign banks if the Indian retail market is further liberalized or if regulations and restrictions upon branch network growth by foreign banks are simplified or reduced. Additionally, foreign banks may operate in India by establishing wholly-owned subsidiaries which are allowed to raise Rupee resources through issue of non-equity capital instruments.

The RBI has liberalised the licensing regime for banks in India and intends to issue licences on an ongoing basis, subject to meeting the RBI's criteria. The RBI is supportive of creating more specialised banks and granting differentiated banking licences, e.g., for payment banks and small finance banks. The RBI also plans to create wholesale and long-term finance banks in the near future. In November 2014, the RBI released guidelines for licensing payment banks and for licensing of small finance banks in the private sector. On August 19, 2015 the RBI granted in-principle approval to 11 applicants to set up payment banks. These banks will focus primarily on lending to infrastructure sector and small, medium and corporate businesses. These banks can provide refinancing to lending institutions and may operate in the capital markets in the form of aggregators. The banks can also act like market makers in corporate bonds, credit derivatives and take out financing amongst others.

An increase in operations of existing competitors or entry of additional banks offering a similar or a wider range of products and services could increase competition. In addition, the moderation of growth in the Indian banking sector is expected to lead to greater competition for business opportunities. The GoI is also actively encouraging banks and other financial institutions to significantly increase their lending to the agricultural sector, which will make this segment more competitive. These competitive pressures affect the Indian and international banking industry as a whole, including us, and our future success will depend largely on our ability to respond in an effective and timely manner to these competitive pressures.

Proposed Implementation of Ind AS

The Audited Financial Statements and other financial information included or incorporated by reference in this Placement Document are based on the Bank's audited financial statements prepared in accordance with Indian GAAP. The Ministry of Corporate Affairs (the "MCA"), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind-AS converged with IFRS for scheduled commercial banks, insurers, insurance companies and non-banking financial companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. These regulations would have required the Bank to prepare Ind-AS based financial statements for accounting period commencing April 1, 2018 with comparative financial statements for the accounting period ending March 31, 2018. On June 23, 2016, RBI directed all scheduled commercial banks (excluding regional rural banks) to submit proforma Ind AS financial statements, for the half year ended September 30, 2016 to Reserve Bank of India, Mumbai. RBI vide notification dated March 22, 2019, decided to defer the implementation of Ind AS at scheduled commercial banks (excluding regional rural banks) till further notice. The RBI does not permit banks to adopt Ind AS earlier than the official implementation timelines.

The nature and extent of the possible impact of Ind AS at the Bank's financial reporting and accounting practices is currently uncertain, and there can be no assurance that such impact will not be significant. The Bank cannot assure you that it has completed a comprehensive analysis of the effect of Ind AS at future financial information or that the application of Ind AS will not result in a materially adverse effect on the Bank's future financial information. For more information, see "*Risk Factors — Indian accounting principles differ from those which prospective investors may be familiar with in other countries. In addition, the effects of the planned convergence with, and adoption of, IFRS are uncertain*" on page 49.

SIGNIFICANT ACCOUNTING POLICIES

The Bank's financial statements are prepared in accordance with Indian GAAP and guidelines issued by the RBI from time to time and practices generally prevailing in the banking industry in India. The preparation of the financial statements requires the Bank to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses as well as the disclosure of contingent liabilities. The notes to the Bank's financial statements contain a summary of its significant accounting policies. The policies so adopted are followed consistently and in case of any change in policy is adopted, its impact is assessed and disclosed appropriately. Certain of these policies are critical to the portrayal of the Bank's financial condition, since they require management to make subjective judgments, some of which may relate to matters that are inherently uncertain.

The Bank bases its estimates and judgments on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. As a result of changes in applicable statutory requirements and accounting practices in India, the accounting policies of the Bank have undergone changes during the periods covered by this discussion. Accordingly, this discussion should be read in conjunction with the financial statements and notes as applicable during the respective period or Fiscal Year.

Investments

The entire investment portfolio of the Bank is classified in accordance with the RBI guidelines into three categories which are:

- Held To Maturity ("**HTM**");
- Available For Sale ("**AFS**"); and
- Held For Trading ("**HFT**").

The securities acquired with the intention to be held till maturity are classified under "HTM" category. The securities acquired with the intention to trade by taking advantage of short-term price / interest movements are classified as "HFT". All other securities which do not fall under any of the two categories are classified under "AFS" category.

An investment is classified as Held to Maturity, Available for Sale or Held for Trading at the time of its purchase/acquisition and subsequent shifting is done in conformity with the Regulatory guidelines. Transfer of scrips, if any, from one category to another is done at the lowest of acquisition cost/book value/market value on the date of transfer and depreciation, if any, on such transfer is fully provided for.

Investment in Subsidiaries, Joint Ventures and Associates are classified as Held to Maturity.

Profit on sale of securities under HTM category is first taken to profit and loss account and thereafter appropriated to Capital Reserve account (net of taxes and amount required to be transferred to statutory reserves) and loss, if any, charged to profit and loss account.

Investments in India are valued in accordance with RBI guidelines, as under:

i. Securities in HTM category are valued at acquisition cost except where the acquisition cost is higher than the face value, in which case, such excess of acquisition cost over the face value is amortised over the remaining period of maturity. Any diminution, other than temporary, in value of investments in subsidiaries / joint ventures / Associates which are included under HTM category is recognized and provided. Such diminution is being determined and provided for each investment individually. Investment in units of Venture Capital funds (VCF) / Alternate Investment Fund (AIF) made after August 23, 2006 are classified under HTM category for initial period of 3 years and valued at cost.

ii. Investment in Subsidiaries, Joint Ventures and Associates are valued at historical cost. Investment in sponsored Regional Rural Banks (RRB) are valued at carrying cost (i.e. Book value).

iii. Investments in AFS category are marked to market, scrip-wise and classification wise, at quarterly intervals. Net depreciation, if any, is provided for in the Profit and Loss account while net appreciation, if any, is ignored. The book value of the individual securities does not undergo any change after marking to market.

iv. The individual scrips in the HFT category are marked to market at daily intervals. Net depreciation, if any, is provided for in the Profit and Loss account while net appreciation, if any, is ignored. The Book Value of the individual securities in this category does not undergo any change.

v. Securities in AFS and HFT categories are valued as under:

vi. Central Government Securities and State Government Securities are valued at prices / YTM rates as announced by Primary Dealers Association of India ("**PDAI**") jointly with Fixed Income Money Market and Derivatives Association of India ("**FIMMDA**") / Financial Benchmark India Private Ltd ("**FBIL**").

vii. Other approved securities are valued applying the YTM method by marking up 25 basis points above the yields of the Central Government Securities of equivalent maturity put out by PDAI / FIMMDA / FBIL periodically.

viii. Equity shares are valued at market price, if quoted. Unquoted equity shares are valued at break-up value (without considering revaluation reserves if any) as per the company's latest balance sheet (not more than one year prior to the date of valuation). Otherwise, the shares are valued at ₹ 1 per company.

ix. Preference shares are valued at market price, if quoted; otherwise at lower of the value determined based on the appropriate YTM rates or redemption value.

x. All debentures/bonds, other than those which are in the nature of advances, are valued on the YTM basis.

xi. Treasury bills, certificate of deposits and commercial papers are valued at carrying cost.

xii. Units of Mutual Funds are valued at market price, if quoted; otherwise at lower of repurchase price or Net Asset Value (NAV). In case of funds with a lock-in period, where repurchase price / market quote is not available, units are valued at NAV, else valued at cost till the end of the lock-in period.

xiii. Investment in units of Venture Capital funds (VCF) / Alternate Investment Fund (AIF) made after August 23, 2006 are classified under HTM category for initial period of 3 years and valued at cost. After period of 3 years from the date of disbursement, it will be shifted to AFS and marked-to-market as per RBI guidelines.

xiv. In respect of investment at overseas branches, RBI guidelines or those of the host countries whichever are more stringent are followed. In case of those branches situated in countries where no guidelines are specified, the guidelines of RBI are followed.

Non-performing investment (NPI) are identified as stated below, as per guidelines issued by RBI.

- Securities/Non-cumulative Preference shares where interest/fixed dividend/instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.

- If any credit facility availed by the issuer from the Bank is a Non-performing advance in the books of the bank, investment in any of the securities including preference shares issued by the same issuer is also treated as NPI and vice versa. However, if only the preference shares are classified as NPI, the investments in any of the other performing securities issued by the same issuer may not be classified as NPI and any performing credit facilities granted to that borrower need not be treated as NPA.

- Investments backed by guarantee of the Central Government though overdue are treated as NPAs only when the Government repudiates its guarantee when invoked.

- Investment in State Government guaranteed securities, including those in the nature of 'deemed advances', are subjected to asset classification and provisioning as per prudential norms if interest/ installment of principal (including maturity proceeds) or any other amount due to the Bank remains unpaid for more than 90 days.

- Equity investment classified as NPI should be valued at market value, if quoted, and in case where equity is not quoted, it should be valued at Re.1

Brokerages / Commission / incentive received on subscriptions are deducted from the cost of securities. Brokerage / Commission / Stamp duty paid in connection with acquisition of securities are treated as revenue expenses.

Interest Rate Swap transactions for trading is marked to market at quarterly intervals. The fair value of the total swaps is computed on the basis of the amount that would be received/ receivable or paid/ payable on termination of the swap agreements as on the balance sheet date. Losses arising there from, if any, are fully provided for, while the profit, if any, is ignored.

Exchange traded FX Derivatives i.e. Currency Futures, are valued at the Exchange determined prices and the resultant gains and losses are recognized in the Profit and Loss account.

Premium/interest arising at the inception of forward exchange swap facility of RBI for FCNR (B) dollar deposits is amortized as expense over the period of the swap contract.

Cost of investments is determined based on the Weighted Average Cost method in each category. Investments classified under HTM are carried at acquisition cost as arrived under Weighted Average Cost method and in case the weighted average cost is more than the face value, the premium is amortised over the remaining period of maturity.

Accounting for Repo/Reverse Repo transactions:

All types of repo/reverse repo transactions with RBI including LAF, variable rate term operations, Long term Repo operations ("**LTRO**"), MSF and also Market Repo transactions are accounted as per RBI guidelines.

The securities sold and purchased under Repo/Reverse Repo are accounted as Triparty Repo wherein securities are transferred as in the case of normal outright sale/purchase transactions and such movement of securities is reflected using the Repo/Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as Interest expenditure / income, as the case may be. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified as under:

(a) All type of reverse repos with the Reserve Bank of India including those under Liquidity Adjustment Facility shall be presented under sub-item (ii) '*In Other Accounts*' of item (II) '*Balances with Reserve Bank of India*' under schedule 6 '*cash and balances with Reserve Bank of India*'.

(b) Reverse repos with banks and other institutions having original tenors up to and inclusive of 14 days shall be classified under item (ii) '*Money at call and short notice*' under Schedule 7 '*Balances with banks and money at call and short notice*'.

(c) Reverse repos with banks and other institutions having original tenors more than 14 days shall be classified under Schedule 9 – '*Advances*' under the following heads:

I. 'Cash credits, overdrafts and loans repayable on demand';

II. 'Secured by tangible assets'; and

III. Banks and 'Others' (as the case may be).

Advances

In accordance with the prudential norms issued by RBI, advances in India are classified into standard, sub-standard, doubtful and loss assets borrower-wise.

Provisions are made for non-performing advances as under:

a) Sub Standard:

(i) A general provision of 15% on the total outstanding
(ii) Additional provision of 10% for exposure which are unsecured ab-initio (i.e., where realizable value of securities is not more than 10% ab-initio)

b) Doubtful category – 1

(i) 25% for Secured portion.
(ii) 100% for Unsecured portion.

c) Doubtful Category – 2

(i) 40% for Secured portion.
(ii) 100% for Unsecured portion.

d) Doubtful category-3 and Loss advances – 100 %.

- Provision is made for standard advances including Restructured / Rescheduled standard advances as per RBI directives.

- In respect of foreign branches, income recognition, asset classification and provisioning for loan losses are made as per local requirement or as per RBI prudential norms, whichever is more stringent.

- Further, if an asset in the overseas books of the Bank requires to be classified as NPA at any point of time in terms of regulations issued by Reserve Bank of India, then all the facilities granted by the bank to the borrower and investment in all the securities issued by the borrower will be classified as NPAs/NPIs.

- However, accounts classified as non-performing/impaired assets (NPAs) by host regulators for reasons other than record of recovery, would be classified as NPAs at the time of consolidating financial statements in India and provided for, as required; whereas asset classification of other credit exposures to the same counterparties in other jurisdictions (including India) will continue to be governed by the extant guidelines in the respective jurisdictions.

- Advances disclosed are net of provisions made for non-performing assets, DICGC/ ECGC/ CGTMSE claims received and held pending adjustment, repayments received and kept in sundries account, participation certificates, usance bills rediscounted and provision in lieu of diminution in the fair value of restructured accounts classified as standard assets.

Taxes On Income

Provision for tax is made for both Current Tax and Deferred Tax.

Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates, tax laws and favourable judicial pronouncements / legal opinion.

Deferred Tax Assets and Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and tax laws that have been enacted or substantively enacted till the date of the Balance Sheet. Deferred Tax Assets are not recognized unless there is "virtual certainty" that sufficient future taxable income will be available against which such deferred tax assets will be realized.

For more information on our significant accounting policies, see notes to the accounts to our financial statements.

Adoption of Ind AS

The Financial Statements and other financial information included or incorporated by reference in this Placement Document are based on the Bank's standalone financial statements prepared in accordance with Indian GAAP. The Institute of Chartered Accountants of India has issued Ind AS, a revised set of accounting standards, which largely converges the Indian accounting standards with International Financial Reporting Standards. The Ministry of Corporate Affairs, which is the law-making authority for adoption of accounting standards in India, has notified these Ind AS for adoption. Further, the ministry has also issued a roadmap for transition to Ind AS by Indian companies in a phased manner starting from April 1, 2016. For banking companies, the implementation of Ind AS, which was earlier to begin from April 1, 2018, has been deferred until further notice as recommended legislative amendments were still under consideration by the Government. The RBI does not permit banks to adopt Ind AS earlier than the official implementation timelines.

Ind AS 109 – Financial Instruments (Standard equivalent to International Financial Reporting Standard 9) would have a significant impact on the way financial assets and liabilities are classified and measured, resulting in volatility in profit or loss and equity. Ind AS will change, among other things, the Bank's methodology for estimating allowances for probable loan losses and for classifying and valuing its investment portfolio and its revenue recognition policy. For more information, see "*Risk Factors—Risks relating to the Bank – Indian accounting principles differ from those which prospective investors may be familiar with in other countries. In addition, the effects of the planned convergence with, and adoption of, IFRS are uncertain*" on page 49.

COMPONENTS OF INCOME AND EXPENDITURE

Income

Interest Earned

Interest earned consists of interest on advances and bills, income on investments, interest on balances with Reserve Bank of India and other inter-bank funds and other interest earned. Income from investments consists of interest on investments in India and outside India. Our securities portfolio consists primarily of government securities, debentures and bonds and equity shares. We also have investments in our subsidiaries and associates. On the balances that we maintain with RBI to meet our cash reserve requirements, we do not receive any interest.

Other Income

Our non-interest income consists principally of (i) commission, exchange and brokerage, (ii) net profit / (loss) on the sale of investments, (iii) net profit / (loss) on revaluation of investments, (iv) net profit / (loss) on the sale of land, buildings and other assets (v) net profit / (loss) on foreign exchange transactions, (vi) income earned by way of dividends etc from subsidiaries/companies and/or joint ventures abroad / in India, and (vii) miscellaneous income, which primarily includes recoveries in assets written off.

Expenditure

Interest Expended

Our interest expended include interest on deposits, interest on RBI and inter-bank borrowings and other interest/ discount such as interest on subordinated debt/ capital bonds, discount on CBLO borrowings, interest for delayed payments and other borrowings from other financial institutions.

Operating Expenses

Our operating expenses include, among others, (i) payments to and provision for employees, (ii) rent, taxes and lighting, (iii) printing and stationery, (iv) advertisement and publicity, (v) depreciation on the Bank's property, (vi) directors' fees, allowances and expenses, (vii) auditors' fee and expenses, (viii) law charges, (ix) postage, telegrams, telephones, etc., (x) repairs and maintenance, (xi) insurance, and (xii) other miscellaneous expenses.

Provisions and Contingencies

Our provisions and contingencies consist of (i) provision made towards taxation, (ii) provision towards NPAs, (iii) provision towards standard assets, and (iv) other provisions which includes provisions and contingencies towards restructured advances and provision for unhedged foreign currency exposure.

RESULTS OF OPERATIONS

SIX MONTHS ENDED SEPTEMBER 30, 2023 COMPARED TO SIX MONTHS ENDED SEPTEMBER 30, 2022

The following table sets forth certain information relating to our results of operations for six months ended September 30, 2022 and September 30, 2023:

	September 30,	
	2022	**2023**
	(₹ crore)	
Interest earned	20,863.56	26,792.67
Other income	3,432.74	3,702.55
Income	**24,296.30**	**30,495.22**
Interest expended	11,645.61	15,348.97
Operating expenses	5,457.06	6,708.87
Provisions (including tax expenses) and contingencies	4,754.97	4,740.79
Expenditure	**21,857.64**	**26,798.63**
Net profit	**2,438.66**	**3,696.59**

Income

Total income increased from ₹ 24,296.30 crore for the six months ended September 30, 2022 to ₹ 30,495.22 crore for the six months ended September 30, 2023 primarily on account of increase in interest earned and other income.

Interest Earned

Total interest earned increased by 28.42% from ₹ 20,863.56 crore for the six months ended September 30, 2022 to ₹ 26,792.67 crore for the six months ended September 30, 2023. This increase was primarily attributable to increase in interest/discount on advances / bills which increased by 35.04% from ₹ 14,538.72 crore for the six months ended September 30, 2022 to ₹ 19,633.19 crore for the six months ended September 30, 2023; income from investments which increased by 13.59% from ₹ 5,663.09 crore for the six months ended September 30, 2022 to ₹ 6,432.81 crore for the six months ended September 30, 2023. Further, interest on balances with the RBI and other inter-bank funds increased by 24.35% from ₹ 477.36 crore for the six months ended September 30, 2022 to ₹ 593.58 crore for the six months ended September 30, 2023. This was offset by a decrease in interest earned on others by 27.82% to ₹ 133.09 crore for the six months ended September 30, 2023 compared to ₹ 184.39 crore for the six months ended September 30, 2022.

Other Income

Other income increased by 7.86% from ₹ 3,432.74 crore for the six months ended September 30, 2022 to ₹ 3,702.55 crore for the six months ended September 30, 2023 on account of an increase in commission, exchange and brokerage by 6.80% from ₹ 413.02 crore for the six months ended September 30, 2022 to ₹ 441.12 crore for the six months ended September 30, 2023, net profit on sale of investments by 120.09% from ₹ 229.79 crore for the six months ended September 30, 2022 to ₹ 505.75 crore for the six months ended September 30, 2023 and profit/loss on revaluation of investments from loss of ₹ 219.44 crore for the six months ended September 30, 2022 to profit of ₹ 281.09 crore for the six months ended September 30, 2023. This was offset by a decrease in net profit on exchange transactions by 57.26% to ₹ 286.01 crore for the six months ended September 30, 2023 compared to ₹ 669.18 crore for the six months ended September 30, 2022; income earned by way of dividends amongst others from subsidiaries/companies and/or joint ventures etc. / in India by 37.91% to ₹ 22.08 crore for the six months ended September 30, 2023 compared to ₹ 35.56 crore for the six months ended September 30, 2022; and miscellaneous income to ₹ 2,166.57 crore for the six months ended September 30, 2023 compared to ₹ 2,305.32 crore for the six months ended September 30, 2022.

Expenditure

Interest Expenses

Total interest expended increased by 31.80% from ₹ 11,645.61 crore for the six months ended September 30, 2022 to ₹ 15,348.97 crore for the six months ended September 30, 2023 primarily due to an increase in interest paid on deposits by 32.14% from ₹ 10,945.88 crore for the six months ended September 30, 2022 to ₹ 14,463.56 crore for the six months ended September 30, 2023, resulting from an increase in interest rates and total deposits of our Bank; and an increase in other interest expenditure by 69.62% from ₹ 449.15 crore for the six months ended September 30, 2022 to ₹ 761.83 crore for the six months ended September 30, 2023. This was partially offset by a decrease in interest on RBI/inter-bank borrowings by 50.68% to ₹ 123.58 crore for the six months ended September 30, 2023 compared to ₹ 250.58 crore for the six months ended September 30, 2022.

Operating Expenses

Operating expenses increased by 22.94% from ₹ 5,457.06 crore for the six months ended September 30, 2022 to ₹ 6,708.87 crore for the six months ended September 30, 2023. This increase was primarily on account of an increase in employee cost from ₹ 3,315.88 crore for the six months ended September 30, 2022 to ₹ 4,295.49 crore for the six months ended September 30, 2023.

Provisions and Contingencies

Provisions and contingencies decreased to ₹ 4,740.79 crore for the six months ended September 30, 2023 compared to ₹ 4,754.97 crore for the six months ended September 30, 2022. These provisions mainly include provision towards NPAs, provision towards standard assets, provision on restructured assets, provision for NPIs, provisions made towards income tax and other provisions and contingencies. The decrease in provision was primarily due to decrease in provision for NPAs to ₹ 1,847.60 crore for the six months ended September 30, 2023 compared to ₹ 4,002.16 crore for the six months ended September 30, 2022 and provision towards NPIs to ₹ 23.69 crore for the six months ended September 30, 2023 compared to ₹ 366.28 crore for the six months ended September 30, 2022. This was offset by increase in provision towards standard assets from reversal of ₹ 138.62 crore for the six months ended September 30, 2022 to fresh provision of ₹ 1,402.26 crore for the six months ended September 30, 2023 and provision for income tax from ₹ 477.49 crore for the six months ended September 30, 2022 to ₹ 1,449.50 crore for the six months ended September 30, 2023.

Net Profit

For the reasons discussed above, net profit increased from ₹ 2,438.66 crore for the six months ended September 30, 2022 to ₹ 3,696.59 crore for the six months ended September 30, 2023.

FISCAL 2023 COMPARED TO FISCAL 2022

The following table sets forth certain information relating to our results of operations in Fiscal 2023 and Fiscal 2022:

	Fiscal	
	2022	**2023**
	(₹ crore)	
Interest earned	38,856.22	44,942.21

	Fiscal	
	2022	2023
	(₹ crore)	
Other income	6,915.45	7,143.06
Income	**45,771.67**	**52,085.27**
Interest expended	22,128.27	24,716.75
Operating expenses	10,926.50	12,097.90
Provisions and contingencies	8,772.08	9,988.92
Expenditure	**41,826,85**	**46,803.57**
Net profit	**3,944.82**	**5,281.70**

Income

Total income increased by 13.79% from ₹ 45,771.67 crore for Fiscal 2022 to ₹ 52,085.27 crore for Fiscal 2023 primarily on account of increase in interest earned and other income.

Interest Earned

Total interest earned increased by 15.66% from ₹ 38,856.22 crore in Fiscal 2022 to ₹ 44,942.21 crore in Fiscal 2023. This increase was primarily attributable to an increase in interest/discount on advances / bills which increased by 18.62% from ₹ 26,927.56 crore in Fiscal 2022 to ₹ 31,941.15 crore in Fiscal 2023; income from investments which slightly increased by 6.22% from ₹ 10,964.82 crore in Fiscal 2022 to ₹ 11,647.17 crore in Fiscal 2023. Further interest in balances with the RBI and other inter-bank funds increased marginally by 3.08% from ₹ 851.34 crore in Fiscal 2022 to ₹ 877.54 crore in Fiscal 2023 and interest earned on others increased from ₹ 112.50 crore in Fiscal 2022 to ₹ 476.36 crore in Fiscal 2023 on account of increase in foreign exchange lending and United States fed funds interest rate.

Other Income

Other income increased by 3.29% from ₹ 6,915.45 crore in Fiscal 2022 to ₹ 7,143.06 crore in Fiscal 2023 on account of an increase in commission, exchange and brokerage by 18.90% from ₹ 806.11 crore in Fiscal 2022 to ₹ 958.46 crore in Fiscal 2023, net profit on exchange transactions by 46.18% from ₹ 689.99 crore in Fiscal 2022 to ₹ 1,008.60 crore in Fiscal 2023, income earned by way of dividends, etc., from subsidiaries/companies and/or joint ventures abroad / in India by 59.15% from ₹ 28.15 crore in Fiscal 2022 to ₹ 44.80 crore in Fiscal 2023; and miscellaneous income by 17.88% from ₹ 4,103.47 crore in Fiscal 2022 to ₹ 4,837.14 crore in Fiscal 2023. This was offset by a decrease in net profit in sale of investments by 76.57% to ₹ 380.92 crore in Fiscal 2023 compared to ₹ 1,625.75 crore in Fiscal 2022 on account of unfavorable market conditions.

Expenditure

Interest Expenses

Total interest expended increased by 11.70% from ₹ 22,128.27 crore in Fiscal 2022 to ₹ 24,716.75 crore in Fiscal 2023 primarily due to an increase in interest paid on deposits by 10.74% from ₹ 20,935.56 crore in Fiscal 2022 to ₹ 23,184.26 crore in Fiscal 2023, resulting from an increase in interest rates and total deposits; and an increase in interest on RBI/inter-bank borrowings from ₹ 248.46 crore in Fiscal 2022 to ₹ 616.17 crore in Fiscal 2023. This was partially offset by 2.96% decrease in other interest expenses to ₹ 916.32 crore in Fiscal 2023 compared to ₹ 944.25 crore in Fiscal 2022.

Operating Expenses

Operating expenses increased by 10.72% from ₹ 10,926.50 crore in Fiscal 2022 to ₹ 12,097.90 crore in Fiscal 2023. This increase was primarily on account of an increase in:

- Payment to and provisions for employees by 12.42% from ₹ 6,695.71 crore in Fiscal 2022 to ₹ 7,527.23 crore in Fiscal 2023;
- Rent, taxes and lighting from ₹ 613.74 crore in Fiscal 2022 to ₹ 620.99 crore in Fiscal 2023;
- Advertisement and publicity by 27.68% from ₹ 21.71 crore in Fiscal 2022 to ₹27.72 crore in Fiscal 2023;
- Printing and stationery from ₹ 84.61 crore in Fiscal 20222 to ₹ 98.75 crore in Fiscal 2023;

- Insurance from ₹ 742.35 crore in Fiscal 2022 to ₹ 813.51 crore in Fiscal 2023; and
- Other expenditure by 21.01% from ₹ 1,751.94 crore in Fiscal 2022 to ₹ 2,120.00 crore in Fiscal 2023.

This was partially offset by a decrease in depreciation on our Bank's property by 11.50% to ₹ 528.81 crore in Fiscal 2023 from ₹ 597.50 crore in Fiscal 2022; postage, telegram and telephones by 12.77% to ₹ 95.83 crore in Fiscal 2023 from ₹ 109.86 crore in Fiscal 2022; and repairs and maintenance expenses by 21.06% to ₹ 192.50 crore in Fiscal 2023 from ₹ 243.87 crore in Fiscal 2022.

Provisions and Contingencies

Provisions and contingencies increased by 13.87% from ₹ 8,772.08 crore in Fiscal 2022 to ₹ 9,988.92 crore in Fiscal 2023. These provisions mainly include provision towards NPAs, provision towards standard assets, provision on restructured assets, provision for NPIs, provisions made towards income tax and other provisions and contingencies. The increase in provision was primarily due to increase in provision for standard assets from ₹ 961.57 crore in Fiscal 2022 to ₹ 2,294.68 crore in Fiscal 2023; provision for income tax from reversal of ₹ 740.59 crore in Fiscal 2022 to provision of ₹ 632.71 crore in Fiscal 2023; and provision for NPIs from ₹ 110.51 crore in Fiscal 2022 to ₹ 405.16 crore in Fiscal 2023. This was offset by decrease in provision for NPAs to ₹ 6,516.22 crore in Fiscal 2023 compared to ₹ 8,446.60 crore in Fiscal 2022

Net Profit

For the reasons discussed above, net profit increased significantly from ₹ 3,944.82 crore in Fiscal 2022 to ₹ 5,281.70 crore in Fiscal 2023.

FISCAL 2022 COMPARED TO FISCAL 2021

The following table sets forth certain information relating to our results of operations in Fiscal 2020 and Fiscal 2021:

	Fiscal	
	2021	**2022**
	(₹ crore)	
Interest earned	39,105.79	38,856.22
Other income	5,650.19	6,915.45
Income	**44,755.98**	**45,771.67**
Interest expended	23,439.84	22,128.27
Operating expenses	10,349.55	10,926.50
Provisions and contingencies	7,961.91	8,772.08
Expenditure	**41,751.30**	**41,826,85**
Net profit	**3,004.68**	**3,944.82**

Income

Total income increased from ₹ 44,755.98 crore in Fiscal 2021 to ₹45,771.67 crore in Fiscal 2022. The increase was primarily on account of an increase in other income which was partially offset by a decrease in interest earned.

Interest Earned

Total interest earned decreased to ₹ 38,856.22 crore in Fiscal 2022 from ₹ 39,105.79 crore in Fiscal 2021. This decrease was primarily attributable to a decrease in interest/discount on advances / bills which decreased to ₹ 26,927.56 crore in Fiscal 2022 from ₹ 27,363.53 crore in Fiscal 2021; interest on investments to ₹ 10,964.82 crore in Fiscal 2022 from ₹ 11,166.89 crore in Fiscal 2021; and interest earned on others by 24.95% to ₹ 112.50 crore in Fiscal 2022 from ₹ 149.90 crore in Fiscal 2021. This was offset by an increase in interest on balances with the RBI and other inter-bank funds increased from ₹ 425.46 crore in Fiscal 2021 to ₹ 851.34 crore in Fiscal 2022.

Other Income

Other income increased by 22.39% from ₹ 5,650.19 crore in Fiscal 2021 to ₹ 6,915.45 crore in Fiscal 2022 on account of an increase in commission, exchange and brokerage by 5.10% from ₹ 766.96 crore in Fiscal 2021 to ₹ 806.11 crore in Fiscal 2022, net profit on exchange transactions by 69.98% from ₹ 405.93 crore in Fiscal 2021 to ₹ 689.99 crore in Fiscal 2022, income earned by way of dividends, etc., from subsidiaries/companies and/or joint ventures abroad / in India from ₹ 12.45 crore in Fiscal 2021 to ₹ 28.15 crore in Fiscal 2022; and miscellaneous income by 48.14% from ₹ 2,770.06 crore in Fiscal 2021 to ₹ 4,103.47 crore in Fiscal 2022.

Expenditure

Interest Expended

Total interest expended decreased by 5.60% to ₹ 22,128.27 crore in Fiscal 2022 compared to ₹ 23,439.84 crore in Fiscal 2021 primarily due to a decrease in interest paid on deposits to ₹ 20,935.56 crore in Fiscal 2022 compared to ₹ 22,220.79 crore in Fiscal 2021, on account of decrease in rate of interest on deposits.; interest on RBI / inter bank borrowings to ₹ 248.46 crore in Fiscal 2022 compared to ₹ 400.90 crore in Fiscal 2021. This was partially offset by an increase in other interest expenditure from ₹ 818.15 crore in Fiscal 2021 to ₹ 944.25 crore in Fiscal 2022.

Operating Expenses

Operating expenses increased from ₹ 10,349.55 crore in Fiscal 2021 to ₹ 10,926.50 crore in Fiscal 2022. This increase was primarily on account of an increase in:

- Payment to and provisions for employees from ₹ 6,378.24 crore in Fiscal 2021 to ₹ 6,695.71 crore in Fiscal 2022;
- Rent, taxes and lighting from ₹ 602.83 crore in Fiscal 2021 to ₹ 613.74 crore in Fiscal 2022;
- Printing and stationery from ₹ 57.66 crore in Fiscal 2021 to ₹ 84.61 crore in Fiscal 2022;
- Advertisement and publicity from ₹ 13.55 crore in Fiscal 2021 to ₹ 21.71 crore in Fiscal 2022;
- Repairs and maintenance from ₹ 197.10 crore in Fiscal 2021 to ₹ 243.87 crore in Fiscal 2022;
- Insurance from ₹ 682.46 crore in Fiscal 2021 to ₹ 742.35 crore in Fiscal 2022; and
- Other expenditure from ₹ 1,584.04 crore in Fiscal 2021 to ₹ 1,751.94 crore in Fiscal 2022.

This was partially offset by a decrease in depreciation on our Bank's property to ₹ 597.50 crore in Fiscal 2022 from ₹ 632.87 crore in Fiscal 2021 and auditors' fees and expenses (including branch auditors) to ₹ 47.38 crore in Fiscal 2022 from ₹ 63.02 crore in Fiscal 2021.

Provisions and Contingencies

Provisions and contingencies increased by 10.17% from ₹ 7,961.91 crore in Fiscal 2021 to ₹ 8,772.08 crore in Fiscal 2022. These provisions mainly include provision towards NPAs, provision towards standard assets, provision on restructured assets, provision for NPIs, provisions made towards income tax and other provisions and contingencies. The increase in provision was primarily due to increase in provision for NPAs from ₹ 7,318.46 crore in Fiscal 2021 to ₹ 8,446.60 crore in Fiscal 2022; provision for NPIs from reversal of ₹ 1.39 crore in Fiscal 2021 to provision of ₹ 110.51 crore in Fiscal 2022 and provision for standard assets ₹ 469.40 crore in Fiscal 2021 to ₹ 961.57 crore in Fiscal 2022. This was offset by decrease in provision for taxes to reversal of ₹ 740.59 crore in Fiscal 2022 compared to reversal of ₹ 99.10 crore in Fiscal 2021.

Net Profit

For the reasons discussed above, net profit increased from ₹ 3,004.68 crore in Fiscal 2021 to ₹ 3,944.82 crore in Fiscal 2022.

FINANCIAL CONDITION

Assets

The table below sets out the principal components of our assets as of the dates indicated:

Particulars	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(₹ crore)				
Cash and balances with the RBI	27,545.08	58,554.61	32,692.63	29,119.04	29,303.74
Balance with banks and	23,919.39	21,361.44	17,439.95	23,476.12	11,468.54

Particulars	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(₹ crore)				
money at call and short notice					
Investments	176,536.97	174,558.59	185,988.25	182,168.38	201,672.63
Advances	362,669.08	389,186.06	449,296.73	412,073.54	470,626.58
Fixed assets	7,376.31	7,683.71	7,459.04	7,532.10	7,475.16
Other assets	25,379.84	20,323.64	17,624.13	18,886.88	18,220.07
Total assets	**623,426.67**	**671,668.05**	**710,500.73**	**673,256.06**	**738,766.72**

Assets amounted to ₹ 673,256.06 crore as of September 30, 2022 compared to ₹ 738,766.72 crore as of September 30, 2023. The increase in total assets by 9.73% was primarily due to (i) an increase in net advances by 14.21% from ₹ 412,073.54 crore as of September 30, 2022, to ₹ 470,626.58 crore as of September 30, 2023, and (ii) a decrease in balance with banks and money at call and short notice by 51.15% from ₹ 23,476.12 crore as of September 30, 2022, to ₹ 11,468.54 crore as of September 30, 2023. Net investments increased by 10.71% from ₹ 182,168.38 crore as of September 30, 2022, to ₹ 201,672.63 crore as of September 30, 2023. Additionally, there was a slight increase in cash and balances with the RBI from ₹ 29,119.04 crore as of September 30, 2022, to ₹ 29,303.74 crore as of September 30, 2023.

Assets amounted to ₹ 710,500.73 crore as of March 31, 2023, compared to ₹ 671,668.05 crore as of March 31, 2022 and ₹ 623,426.67 crore as of March 31, 2021.

Total assets further increased by 5.78% from ₹ 671,668.05 crore as of March 31, 2022, to ₹ 710,500.73 crore as of March 31, 2023. This increase was primarily driven by (i) an increase in net advances by 15.45% from ₹ 389,186.06 crore as of March 31, 2022, to ₹ 449,296.73 crore as of March 31, 2023, and (ii) an increase in net investments by 6.55% from ₹ 174,558.59 crore as of March 31, 2022, to ₹ 185,988.25 crore as of March 31, 2023. This was partially offset by decrease in cash & balance with RBI by 44.17% from ₹ 58,554.61 crore as of March 31, 2022, to ₹ 32,692.63 crore as of March 31, 2023 and a decrease in balance with banks and money at call and short notice by 18.36% from ₹ 21,361.44 crore as of March 31, 2022, to ₹ 17,439.95 crore as of March 31, 2023.

Total assets increased by 7.74% from ₹ 623,426.67 crore as of March 31, 2021, to ₹ 671,668.05 crore as of March 31, 2022. This increase was primarily due to (i) an increase in cash & balance with RBI from ₹ 27,545.08 crore as of March 31, 2021, to ₹ 58,554.61 crore as of March 31, 2022, (ii) an increase in net advances by 7.31% from ₹ 362,669.08 crore as of March 31, 2021, to ₹ 389,186.06 crore as of March 31, 2022. This was partially offset by a decrease in balance with banks and money at call and short notice by 10.69% from ₹ 23,919.39 crore as of March 31, 2021, to ₹ 21,361.44 crore as of March 31, 2022 and decrease in net investment by 1.12% from ₹ 176,536.97 crore as of March 31, 2021, to ₹ 174,558.59 crore as of March 31, 2022.

Advances

Our advances mainly comprise of bills purchased and discounted, cash credit, overdrafts and loans repayable on demand, and term loans.

Advances increased from ₹ 412,073.54 crore as of September 30, 2022 to ₹ 470,626.58 crore as of September 30, 2023 on account of an increase in term loans by 63.79% from ₹ 150,533.74 crore as of September 30, 2022 to ₹ 246,553.66 crore as of September 30, 2023. This was partially offset by decrease in bills purchased and discounted by 8.64% from ₹ 3,255.49 crore as of September 30, 2022 to ₹ 2,974.37 crore as of September 30, 2023 and decrease in cash credit, overdrafts and loans payable on demand by 14.40% from ₹ 258,284.31 crore as of September 30, 2022 to ₹ 221,098.55 crore as of September 30, 2023. Advances in India increased by 13.25% from ₹ 385,966.30 crore as of September 30, 2022 to ₹ 437,106.70 crore as of September 30, 2023 on account of an increase in advances to priority sector by 9.34% from ₹ 167,620.21 crore as of September 30, 2022 to ₹ 183,275.34 crore as of September 30, 2023; public sector by 5.96% from ₹ 63,025.66 crore as of September 30, 2022 to ₹ 66,779.19 crore as of September 30, 2023; and advances to others by 20.43% from ₹ 155,321.03 crore as of September 30, 2022 to ₹ 187,052.17 crore as of September 30, 2023. Advances outside India increased by 28.40% from ₹ 26,106.64 crore as of September 30, 2022 to ₹ 33,519.88 crore as of September 30, 2023 on account of increase in dues from banks by 30.73% from ₹ 16,977.73 crore as of September 30, 2022 to ₹ 22,194.31 crore as of September 30, 2023; and advances in syndicate loans by 46.85% from ₹ 4,520.00 crores as of September 30, 2022 to ₹ 6,637.75 crore as of September 30, 2023.

Advances increased by 15.45% from ₹ 389,186.06 crore as of March 31, 2022 to ₹ 449,296.73 crore as of March

31, 2023 on account of an increase in term loans by 32.85% from ₹ 178,142.93 crore as of March 31, 2022 to ₹ 236,669.99 crore as of March 31, 2023 and an increase in cash credit, overdrafts and loans payable on demand increased by 1.24% from ₹ 207,613.08 crore as of March 31, 2022 to ₹ 210,191.81 crore as of March 31, 2023. Advances in India increased by 13.65% from ₹ 369,566.92 crore as of March 31, 2022 to ₹ 420,017.35 crore as of March 31, 2023 on account of an increase in advances to priority sector from ₹ 163,407.16 crore as of March 31, 2022 to ₹ 170,017.92 crore as of March 31, 2023; public sector from ₹ 67,147.92 crore as of March 31, 2022 to ₹ 68,741.14 crore as of March 31, 2023; and advances to others by 30.39% from ₹ 139,011.85 crore as of March 31, 2022 to ₹ 181,258.29 crore as of March 31, 2023. Advances outside India increased by 49.24% from ₹ 19,619.13 crore as of March 31, 2022 to ₹ 29,279.38 crore as of March 31, 2023 on account of increase in dues from banks by 79.40% from ₹ 11,105.63 crore as of March 31, 2022 to ₹ 19,922.99 crore as of March 31, 2023; and advances in syndicate loans by 9.95% from ₹4,650.75 crore as of March 31, 2022 to ₹ 5,113.59 crore as of March 31, 2023.

Advances increased by 7.31% from ₹ 362,669.08 crore as of March 31, 2021 to ₹ 389,186.06 crore as of March 31, 2022 on account of an increase in bills purchased and discounted by 60.93% from ₹ 2,131.35 crore as of March 31, 2021 to ₹ 3,430.06 crore as of March 31, 2022; increase in term loans by 26.84% from ₹ 140,446.75 crore as of March 31, 2021 to ₹ 178,142.93 crore as of March 31, 2022. This was partially offset by decrease in cash credit, overdrafts and loans payable on demand by 5.67% from ₹ 220,090.98 crore as of March 31, 2021 to ₹ 207,613.08 crore as of March 31, 2022. Advances in India increased by 4.87% from ₹ 352,396.23 crore as of March 31, 2021 to ₹ 369,566.93 crore as of March 31, 2022 on account of an increase in advances to priority sector from ₹ 156,301.47 crore as of March 31, 2021 to ₹ 163,407.16 crore as of March 31, 2022; public sector from ₹ 64,398.78 crore as of March 31, 2021 to ₹ 67,147.92 crore as of March 31, 2022; and advances to others from ₹ 131,526.74 crore as of March 31, 2021 to ₹ 139,011.85 crore as of March 31, 2022. Advances outside India increased by 90.98% from ₹ 10,272.85 crore as of March 31, 2021 to ₹ 19,619.13 crore as of March 31, 2022 on account of increase in dues from banks from ₹ 4,475.58 crore as of March 31, 2021 to ₹ 11,105.63 crore as of March 31, 2022; and advances in syndicate loans by 32.30% from ₹ 3,515.42 crore as of March 31, 2021 to ₹4,650.75 crore as of March 31, 2022.

Investments

Our investments mainly represent investments in government securities and other approved securities, investments in debt instruments such as debentures and bonds of public sector undertakings and corporates, investments in equity shares and investment in associate entities.

Investments increased by 10.71% from ₹ 182,168.38 crore as of September 30, 2022 to ₹ 201,672.63 crore as of September 30, 2023. This growth was primarily driven by an increase in investments in government securities, which grew by 8.31% from ₹ 164,872.64 crore as of September 30, 2022, to ₹ 178,577.44 crore as of September 30, 2023. Additionally, debentures and bonds contributed to this increase, experiencing a combined growth from ₹ 13,328.67 crore as of September 30, 2022, to ₹ 14,928.54 crore as of September 30, 2023. Moreover, investments in other instruments such as certificates of deposits, commercial papers, and mutual funds also increased from ₹ 891.30 crore as of September 30, 2022, to ₹ 5,490.88 crore as of September 30, 2023. Investment in shares decreased from ₹ 1,122.32 crore as of September 30, 2022, to ₹ 895.41 crore as of September 30, 2023.

Investments increased by 6.55% from ₹ 174,558.59 crore as of March 31, 2022, to ₹ 185,988.25 crore as of March 31, 2023. This growth was primarily driven by an increase in investments in government securities, which grew by 5.15% from ₹ 158,314.00 crore as of March 31, 2022, to ₹ 166,464.66 crore as of March 31, 2023. Additionally, debentures and bonds contributed to this increase, experiencing a growth of 15.47% from ₹ 12,515.35 crore as of March 31, 2022, to ₹ 14,451.11 crore as of March 31, 2023. Moreover, investments in other instruments such as certificates of deposits, commercial papers, and mutual funds also saw a significant rise, increasing by 237.48% from ₹ 612.08 crore as of March 31, 2022, to ₹ 2,065.64 crore as of March 31, 2023. However, this was partially offset by a decrease in investment in shares, which declined by 27.02% to ₹ 874.57 crore as of March 31, 2023, from ₹ 1,198.42 crore as of March 31, 2022.

Investments decreased marginally by 1.12% to ₹ 174,558.59 crore as of March 31, 2022, from ₹ 176,536.97 crore as of March 31, 2021. This decline was primarily due to a decrease in investments in other instruments such as certificates of deposits, commercial papers, and mutual funds by 70.76% to ₹ 612.08 crore as of March 31, 2022, from ₹ 2,093.03 crore as of March 31, 2021, debentures and bonds by 6.32% to ₹ 12,515.35 crore as of March 31, 2022, from ₹ 13,359.15 crore as of March 31, 2021 and other approved securities to ₹ nil as of March 31, 2022 compared to ₹ 5.23 crore as of March 31, 2021. However, this was partially offset by an increase in investment in shares, which grew by 21.47 % from ₹ 986.58 crore as of March 31, 2021, to ₹ 1,198.42 crore as of March 31, 2022 and investments in government securities by 0.48% from ₹ 157,550.39 crore as of March 31, 2021 to ₹ 158,314.00 crore as of March 31, 2022.

Balances with Banks and Money at Call and Short Notice

Balances with banks and money at call and short notice decreased to ₹ 11,468.54 crore as of September 30, 2023 compared to ₹ 23,476.12 crore as of September 30, 2022. Balance in other deposit accounts outside India decreased to ₹ 7,097.23 crore as of September 30, 2023 compared to ₹ 20,495.89 crore as of September 30, 2022. Money at call and short notice (with banks) in India was ₹ 1,557.14 crore as of September 30, 2023 compared to ₹ nil as of September 30, 2022.

Balances with banks and money at call and short notice decreased to ₹ 17,439.95 crore as of March 31, 2023 compared to ₹ 21,361.44 crore as of March 31, 2022. Balance in other deposit accounts outside India decreased to ₹ 10,144.91 crore as of March 31, 2023 compared to ₹ 19,453.09 crore as of March 31, 2022. Money at call and short notice (with banks) in India was ₹ 5,007.04 crore as of March 31, 2023 compared to ₹ nil as of March 31, 2022.

Balances with banks and money at call and short notice decreased to ₹ 21,361.44 crore as of March 31, 2022 compared to ₹ 23,919.39 crore as of March 31, 2021. Money at call and short notice (with banks) was nil as of March 31, 2022 compared to ₹ 8,900.00 crore as of March 31, 2021. Balance in other deposit accounts outside India increased from ₹ 11,270.82 crore as of March 31, 2021 to ₹ 19,453.09 crore as of March 31, 2022.

Other Assets

Other assets primarily include net inter-office adjustments, interest accrued, taxes paid net, stationery and stamps and non-banking assets acquired in satisfaction of claims.

Other assets decreased by 3.53% to ₹ 18,220.07 crore as of September 30, 2023 compared to ₹ 18,886.88 crore as of September 30, 2022, on account of decrease in tax paid in advance / tax deducted at source (net) by 36.44% to ₹ 3,735.68 crore as of September 30, 2023 compared to ₹ 5,877.70 crore as of September 30, 2022. This was offset by an increase in interest accrued by 25.57% from ₹ 3,633.82 crore as of September 30, 2022 to ₹ 4,563.10 crore as of September 30, 2023; and inter office adjustment (net) from ₹ 228.14 crore as of September 30, 2022 to ₹ 673.75 crore as of September 30, 2023.

Other assets decreased by 13.28% to ₹ 17,624.12 crore as of March 31, 2023 compared to ₹ 20,323.64 crore as of March 31, 2022, on account of decrease in inter office adjustments (net) by 58.53% to ₹ 112.20 crore as of March 31, 2023 compared to ₹ 270.53 crore as of March 31, 2022, tax paid in advance / tax deducted at source (net) by 18.00% to ₹ 5,254.40 crore as of March 31, 2023 compared to ₹ 6,407.57 crore as of March 31, 2022; and others (which includes RIDF/SIDBI/RHDF/NHB Deposits held under HTM category) by 17.15% to ₹ 8,780.98 crore as of March 31, 2023 compared to ₹ 10,598.41 crore as of March 31, 2022. This was offset by an increase in interest accrued by 15.01% from ₹ 2,968.69 crore as of March 31, 2022 to ₹ 3,414.29 crore as of March 31, 2023.

Other assets decreased by 19.92% to ₹ 20,323.64 crore as of March 31, 2022 compared to ₹ 25,379.84 crore as of March 31, 2021, on account of decrease in interest accrued by 27.73% to ₹ 2,968.69 crore as of March 31, 2022 compared to ₹ 4,107.98 crore as of March 31, 2021, tax paid in advance / tax deducted at source (net) by 3.29% to ₹ 6,407.57 crore as of March 31, 2022 compared to ₹ 6,625.27 crore as of March 31, 2021, stationery and stamps by 41.66% to ₹ 27.06 crore as of March 31, 2022 compared to ₹ 46.38 crore as of March 31, 2021 and others (which includes RIDF/SIDBI/RHDF/NHB Deposits held under HTM category) by 27.15% to ₹ 10,598.41 crore as of March 31, 2022 compared to ₹ 14,548.83 crore as of March 31, 2021.

Liabilities

The table below sets out the principal components of our shareholders' funds and liabilities as of the dates indicated:

Particulars	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(₹ crore)				
Capital	1,129.37	1,245.44	1,245.44	1,245.44	1,245.44
Reserves and	37,282.58	42,463.36	46,727.31	44,925.95	50,416.40

Particulars	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(₹ crore)				
surplus					
Deposits	538,071.12	593,617.81	621,165.76	588,859.99	640,802.66
Borrowings	24,734.33	17,208.98	22,073.03	22,058.23	24,922.79
Other liabilities and provisions	22,209.27	17,132.46	19,289.19	16,166.45	21,379.43
Total Liabilities	**623,426.67**	**671,688.05**	**710,500.73**	**673,256.06**	**738,766.72**

Total liabilities increased by 9.73% from ₹ 673,256.06 crore as of September 30, 2022 to ₹ 738,766.72 crore as of September 30, 2023, primarily on account of an increase in reserves and surplus, deposits, borrowings and other liabilities and provisions.

Total liabilities increased by 5.78% from ₹ 671,688.05 crore as of March 31, 2022 to ₹ 710,500.73 crore as of March 31, 2023, primarily on account of an increase in reserves and surplus, deposits, borrowings and other liabilities and provisions.

Total liabilities increased by 7.74% from ₹ 623,426.67 crore as of March 31, 2021 to ₹ 671,688.05 crore as of March 31, 2022, primarily on account of an increase in capital, reserves and surplus, and deposits. This was offset by a decrease in borrowings and other liabilities and provisions.

Deposits

The following table sets forth a breakdown of our deposits, as well as the percentage of total deposits that each item contributes, as of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and September 30, 2023:

	As of March 31,						As of September 30,			
	2021		2022		2023		2022		2023	
	Amount (₹ crore)	Percentage of total deposits (%)	Amount (₹ crore)	Percentage of total deposits (%)	Amount (₹ crore)	Percentage of total deposits (%)	Amount (₹ crore)	Percentage of total deposits (%)	Amount (₹ crore)	Percentage of total deposits (%)
Demand deposits	32,344.57	6.01	36,718.57	6.19	35,857.03	5.78	33,312.88	5.66	33,446.94	5.22
Savings bank deposits	195,250.29	36.29	211,207.62	35.58	224,952.41	36.21	207,764.98	35.28	223,580.06	34.89
Term deposits	310,476.26	57.70	345,691.62	58.23	360,356.32	58.01	347,782.13	59.06	383,775.66	59.89
Total Deposits	**538,071.12**	**100.00**	**593,617.81**	**100.00**	**621,165.76**	**100.00**	**588,859.99**	**100.00**	**640,802.66**	**100.00**

Deposits comprises demand deposits, savings bank deposits and term deposits.

Deposits increased by 8.82% from ₹ 588,859.99 crore as of September 30, 2022 to ₹ 640,802.66 crore as of September 30, 2023 on account of an increase in demand deposit, saving bank deposit and term deposit. Demand deposits increased by 0.40% from ₹ 33,312.88 crore as of September 30, 2022, to ₹ 33,446.94 crore as of as of September 30, 2023. Savings bank deposits increased by 7.61% from ₹ 207,764.98 crore as of September 30, 2022, to ₹ 223,580.06 crore as of September 30, 2023. Term deposits increased by 10.35% from ₹ 347,782.13 crore as of September 30, 2022, to ₹ 383,775.66 crore as of September 30, 2023.

Deposits increased by 10.32 % from ₹ 538,071.12 crore as of March 31, 2021 to ₹ 593,617.81 crores as of March 31, 2022 on account of an increase in demand deposit, saving bank deposit and term deposit. Demand deposits increased by 13.52% from ₹ 32,344.57 crore as of March 31, 2021, to ₹ 36,718.57 crore as of March 31, 2022. Savings bank deposits increased by 8.17%, from ₹ 195,250.30 crore as of March 31, 2021, to ₹ 211,207.62 crore as of March 31, 2022. Term deposits increased by 11.34% increase from ₹ 310,476.26 crore as of March 31, 2021, to ₹ 345,691.62 crore as of March 31, 2022.

Deposits increased by 4.64% from ₹ 593,617.81 crore as of March 31, 2022 to ₹ 621,165.76 crore as of March 31, 2023 on account of an increase in saving bank deposit and term deposit. Savings bank deposits increased by 6.51% from ₹ 211,207.62 crore as of March 31, 2022 to ₹ 224,952.41 crore as of March 31, 2023. Term deposits increased by 4.24% from ₹ 345,691.62 crore as of March 31, 2022 to ₹ 360,356.32 crore as of March 31, 2023. This was partially offset by decrease in demand deposits by 2.35% to ₹ 35,857.03 crore as of March 31, 2023 compared to ₹ 36,718.57 crore as of March 31, 2022.

Borrowings

Borrowings mainly comprise borrowings from the RBI and other banks, borrowings from other institutions and agencies.

Borrowings increased from ₹22,058.23 crore as of September 30, 2022 to ₹24,922.79 crore as of September 30, 2023, primarily attributable to an increase in borrowings from other institutions and agencies by 17.89% from ₹ 19,556.05 crore as of September 30, 2022, to ₹ 23,054.55 crore as of September 30, 2023. This was partially offset by decrease in borrowings outside India by 25.33% from ₹ 2,502.11 crore as of September 30, 2022, to ₹ 1,868.22 crore as of as of September 30, 2023.

Borrowings increased by 28.26% from ₹ 17,208.98 crore as of March 31, 2022 to ₹ 22,073.03 crore as of March 31, 2023, primarily attributable to an increase in borrowings from other institutions and agencies by 31.26% from ₹ 15,349.68 crore as of March 31, 2022 to 20,147.58 crore as of March 31, 2023 and borrowings outside India by 3.56% from ₹ 1,859.25 crore as of March 31, 2022 to ₹ 1,925.43 crore as of March 31, 2023.

Borrowings decreased by 30.42% to ₹ 17,208.98 crore as of March 31, 2022 from ₹ 24,734.33 crore as of March 31, 2021, primarily attributable to a decrease in borrowings outside India by 60.99% to ₹ 1,859.25 crore as of March 31, 2022 from ₹ 4,766.42 crore as of March 31, 2021 and borrowings from the RBI to nil as of March 31, 2022 from ₹ 5,032.04 crore as of March 31, 2021. This was partially offset by an increase in borrowings from other institutions and agencies by 2.77% from ₹ 14.935.74 crore as of March 31, 2021 to ₹ 15,349.68 crore as of March 31, 2022.

Other Liabilities and Provisions

Other liabilities and provisions represent bills payable, net inter-office adjustments, interest payable, and other provisions.

Other liabilities and provisions increased by 32.25% from ₹ 16,166.45 crore as of September 30, 2022 to ₹ 21,379.43 crore as of September 30, 2023, primarily due to an increase in bills payable by 4.57% from ₹ 1,495.63 crore as of September 30, 2022, to ₹ 1,564.03 crore as of as of September 30, 2023, interest accrued by 43.27% from ₹ 1,673.94 crore as of September 30, 2022, to ₹ 2,398.22 crore as of as of September 30, 2023 and other (including provisions) by 34.01% from ₹ 12,996.88 crore as of September 30, 2022, to ₹ 17,417.18 crore as of as of September 30, 2023.

Other liabilities and provisions increased by 12.59% from ₹ 17,132.46 crore as of March 31, 2022 to ₹ 19,289.19 crore as of March 31, 2023, primarily due to an increase in bills payable by 16.20% from ₹ ₹ 1,586.17 crore as of March 31, 2022 to ₹ 1,841.95 crore as of March 31, 2023, interest accrued by 48.84% from ₹ 994.14 crore as of March 31, 2022 to ₹ 1,479.66 crore as of March 31, 2023 and other (including provisions) by 9.72% from ₹ 14,553.16 crore as of March 31, 2022 to 15,967.58 crore as of March 31, 2023.

Other liabilities and provisions decreased by 22.86% to ₹ 17,132.46 crore as of March 31, 2022 from ₹ 22,209.27 crore as of March 31, 2021, primarily due to decrease in inter office adjustment (net) to nil as of March 31, 2022 compared to ₹ 5,073.02 crore as of March 31, 2021, interest accrued by 4.58% to ₹ 994.14 crore as of March 31, 2022 compared to ₹ 1,041.86 crore as of March 31, 2021 and other (including provisions) to ₹ 14,553.16 crore as of March 31, 2022 compared to ₹ 14,650.48 crore as of March 31, 2021. This decrease was partly offset by increase in bills payable by 9.78% from ₹ 1,443.91 crore as of March 31, 2021 to ₹ 1,585.16 crore as of March 31, 2022.

LIQUIDITY AND CAPITAL RESOURCES

The Bank regularly monitors its funding levels to ensure that it is able to satisfy requirements of loan disbursements and those that would arise upon maturity of liabilities. The Bank maintains diverse sources of funding and liquid assets to facilitate flexibility in meeting its liquidity requirements.

Cash Flows

The following table sets forth our statement of cash flows for Fiscal 2021, 2022 and 2023 and for the six months ended September 30, 2022 and September 30, 2023:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six months ended September 30, 2022	Six months ended September 30, 2023
	(₹ crore)				
Net cash from/(used in) operating activities	17,228.77	28,732.13	(27,943.14)	(26,401.56)	(7,980.72)
Net cash from/(used in) investing activities	(543.15)	(298.97)	(296.91)	(109.79)	(308.50)
Net cash from/(used in) financing activities	1,865.55	18.43	(1,543.42)	(809.54)	(1,071.08)
Cash and cash equivalents received on account of amalgamation	21,750.38	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	40,301.55	28,451.59	(29,783.47)	(27,320.89)	(9,360.30)

Operating Activities

Six months ended September 30, 2023

Net cash used in operating activities was ₹ 7,980.72 crore for the six months ended September 30, 2023. The net profit after tax for the same period stood at ₹ 3,696.59 crore. The difference was primarily attributable to adjustment for non-cash and non-operating activities items consisting of, including provisions for NPA amounting to ₹ 1,847.60 crore, provision for investment amounting to ₹ (257.40) crore, provision for standard assets amounting to ₹ 1,402.26 crore, provision for tax amounting to ₹ 1,449.50 crore, other provisions and contingencies amounting to ₹ 17.74 crore, depreciation on fixed assets amounting to ₹ 269.52 crore, and interest on capital instrument amounting to ₹ 367.94 crore. Profit before working capital changes amounted to ₹ 8,591.19 crore. The increase in deposits amounting to ₹ 19,636.91 crore and borrowings (other than capital instruments) amounting to ₹ 2,849.76 crore was offset by an increase in investments amounting to ₹ 15,426.97 crore, in advances amounting to ₹ 23,177.45 crore, and in other assets amounting to ₹ 395.95 crore as well as a decrease in other liabilities amounting to ₹ 58.21 crore.

Six months ended September 30, 2022

Net cash used in operating activities was ₹ 26,401.56 crore for the six months ended September 30, 2022. The net profit after tax for the same period stood at ₹ 2,438.66 crore. The difference was primarily attributable to adjustment for non-cash and non-operating activities items consisting of, including provisions for NPA amounting to ₹ 4,002.16 crore, provision for investment amounting to ₹ 585.72 crore, provision for standard assets amounting to ₹ (138.62) crore, provision for tax amounting to ₹ 477.49 crore, other provisions and contingencies amounting to ₹ 47.66 crore, depreciation on fixed assets amounting to ₹ 268.60 crore, and interest on capital instrument amounting to ₹ 367.94 crore. Profit before working capital changes amounted to amounting to ₹ 8,042.42 crore. The increase in borrowings (other than capital instruments) amounting to ₹ 4,913.92 crore and decrease in other assets amounting to ₹ 1,436.76 crore were offset by increases in investments amounting to ₹ 8,195.51 crore and advances amounting to ₹ 26,889.64 crore, as well as a decrease in deposits amounting to ₹ 4,757.82 crore and other liabilities amounting to ₹ 951.69 crore.

Fiscal 2023

Net cash used in operating activities was ₹ 27,943.14 crore in Fiscal 2023, while net profit after tax for Fiscal 2023 was ₹ 5,281.70 crore. The difference was primarily attributable to adjustment for non-cash and non-operating activities items consisting of provision for NPA of ₹ 6,516.22 crore, provision for investment of ₹ 492.15 crore, provision for standard assets of ₹ 2,294.68 crore, provision for tax of ₹ 632.71 crore, other provision and contingencies of ₹ 140.15 crore, depreciation on fixed assets of ₹ 528.81 crore, instruments on capital instrument of ₹ 733.88 crore. Profit before working capital changes was ₹ 16,613.08 crore. Further, there was an increase in deposits and borrowings (other than capital instruments) by ₹ 27,547.94 crore and ₹ 4,864.06 crore, respectively and decrease in other assets by ₹ 2,699.51 crore, which was offset by an increase in investments and advances of ₹ 11,921.81 crore and ₹ 66,717.64 crore, respectively, and decrease in other liabilities by ₹ 1,028.28 crore.

Fiscal 2022

Net cash generated from operating activities was ₹ 28,732.13 crore in Fiscal 2022, while net profit after tax for Fiscal 2022 was ₹ 3,944.82 crore. The difference was primarily attributable to adjustment for non-cash and non-operating activities items consisting of provision for NPA of ₹ 8,446.60 crore, provision for investment of ₹ 453.75 crore, provision for standard assets of ₹ 961.58 crore, provision for tax of ₹ (740.59) crore, other provision and contingencies of ₹ (6.02) crore, depreciation on fixed assets of ₹ 597.50 crore, instruments on capital instrument of ₹ 749.59 crore. Profit before working capital changes was ₹ 14,400.78 crore. Further, there was an increase in deposits by ₹ 55,546.71 crore and decrease in investments and other assets by ₹ 1,524.63 crore and ₹5,056.20 crore respectively which was partially offset by an increase in advances of ₹ 34,967.37 crore and decrease in borrowings (other than capital instruments) by ₹ 6,925.36 crore, and other liabilities by ₹ 5,903.46 crore.

Fiscal 2021

Net cash from operating activities was ₹ 17,228.77 crore in Fiscal 2021, while net profit after tax for the period was ₹ 3,004.68 crore. The difference was primarily attributable to adjustment for non-cash and non-operating activities items consisting of provision for NPA of ₹ 7,318.46 crore, provision for investment of ₹ 427.68 crore, provision for standard assets of ₹ 469.40 crore, provision for tax of ₹ (99.10) crore, other provision and contingencies of ₹ 274.53 crore, depreciation on fixed assets of ₹ 632.87 crore, instruments on capital instrument of ₹ 643.98 crore. Profit before working capital changes was ₹ 12,672.89 crore. Further, there was an increase in deposits and other liabilities by ₹ 49,521.25 crore and ₹ 9,216.36 crore, respectively, which was partially offset by an increase in investments, advances, and other assets by ₹ 15,056.38 crore, ₹ 30,252.86 crore, ₹ 2,083.27 crore, respectively, and a decrease in borrowing (other than capital instrument) by ₹ 6,789.22 crore.

Investing Activities

Six months ended September 30, 2023

Net cash used in investing activities for the period ending September 30, 2023, was ₹ 308.50 crore. This was mainly driven by the purchase of fixed assets amounting to ₹ (319.15) crore and was partially offset by proceeds from the sale of fixed assets of ₹ 8.02 crore and dividend income from subsidiaries and joint ventures amounting to ₹ 2.63 crore.

Six months ended September 30, 2022

Net cash used in investing activities for the period ending September 30, 2022, was ₹ 109.79 crore. This was mainly driven by the purchase of fixed assets amounting to ₹ (128.18) crore and was partially offset by proceeds from the sale of fixed assets of ₹ 10.51 crore and dividend income from subsidiaries and joint ventures amounting to ₹ 7.88 crore.

Fiscal 2023

Net cash used in investing activities for Fiscal 2023 was ₹ 296.91 crore. This was mainly driven by the purchase of fixed assets amounting to ₹ (324.45) crore and was partially offset by proceeds from the sale of fixed assets of ₹ 20.45 crore and dividend income from subsidiaries and joint ventures amounting to ₹ 7.09 crore.

Fiscal 2022

Net cash used in investing activities for Fiscal 2022 was ₹ 298.97 crore. This was mainly driven by the purchase of fixed assets amounting to ₹ (318.41) crore and was partially offset by proceeds from the sale of fixed assets of ₹ 18.21 crore and dividend income from subsidiaries and joint ventures amounting to ₹ 1.23 crore.

Fiscal 2021

Net cash used in investing activities was ₹ 543.15 crore in Fiscal 2021, primarily relating to purchase of fixed assets of ₹ (558.65) crore and partly offset by proceeds from sale of fixed assets of ₹ 15.50 crore.

Financing Activities

Six months ended September 30, 2023

Net cash used in financing activities was ₹ 1,071.08 crore in the six months ended September 30, 2023, on account of payment of dividend of ₹ 1,071.08 crore.

Six months ended September 30, 2022

Net cash used in financing activities was ₹ 809.54 crore in the six months ended September 30, 2022, on account of payment of dividend of ₹ 809.54 crore.

Fiscal 2023

Net cash used in financing activities was ₹ 1,543.42 crore in Fiscal 2023, on account of payment of dividend of ₹ 809.54 crore and interest on capital instrument of ₹ 733.88 crore.

Fiscal 2022

Net cash generated from financing activities was ₹ 18.43 crore in Fiscal 2022, primarily due to the equity capital issued (including share premium) of ₹ 1,650.00 crore. This was partially offset by the redemption of Tier 2 Bonds of ₹ 600.00 crore, payment of interest on capital instruments of ₹ 782.48 crore, and payment of dividend of ₹ 249.09 crore.

Fiscal 2021

Net cash generated from financing activities was ₹ 1,865.55 crore in Fiscal 2021, primarily due to the issue of AT 1 bonds of ₹ 2,000.00 crore and Tier 2 bonds of ₹ 2,000.00 crore. This was partially offset by the redemption of AT 1 bonds of ₹ 500.00 crore and Tier 2 Bonds of ₹ 1,000.00 crore and interest on capital instruments of ₹ 631.94 crore.

Capital

We calculate our Capital to Risk Weighted Assets Ratio under Basel III guidelines. The Bank's CRAR under Basel III was 15.53% as of September 30, 2023 (on a standalone basis).

Our Bank is registered with and subject to supervision by the RBI, including the RBI's detailed guidelines for implementation of Baser III capital regulations that were issued in May 2012. Basel III Capital Regulations are being implemented in India with effect from April 1, 2013 in a phased manner, which our Bank has complied with.

The Bank's regulatory capital and capital adequacy ratios calculated under Basel III as of the dates indicated, are as follows:

		As of March 31, 2023	**As of September 30, 2023**
	Regulatory Capital	**(₹ crore)**	
	Tier I capital	44,964.44	44,660.04
	Tier II capital	10,027.45	10,271.09
	Total Capital	54,991.89	54,931.13
	Regulatory Capital	**As % of Risk Weighted Assets**	
(i)	Common Equity Tier I Ratio	10.39	9.57
(ii)	Capital Conservation Buffer (comprising Common Equity)	2.50	2.50
(iii)	Common Equity Tier I Ratio plus Capital Conservation Buffer	12.89	12.07

	(i)+(ii)		
(iv)	Additional Tier I capital	0.59	0.56
(v)	Tier I capital adequacy ratio (i) +(iv)	10.98	10.13
(vi)	Tier II capital	3.01	2.90
(vii)	Total Capital Ratio (MTC) (v)+(vi)	13.99	13.03
(viii)	Total Capital Ratio plus Capital Conservation Buffer (vii)+(ii)	16.49	15.53

Capital Expenditure

Our capital expenditure consists principally of expenditure relating to branch network expansion as well as investment in technology and communication infrastructure. In Fiscal 2021, 2022 and 2023 and in the six months ended September 30, 2022 and September 30, 2023, our Bank incurred ₹ 52.79 crore, ₹ 94.44 crore, ₹ 131.69 crore, ₹ 26.43 crore and ₹ 33.68 crore, respectively, as capital expenditure in connection with the expansion of our branch network. In Fiscal 2021, 2022 and 2023 and in the six months ended September 30, 2022 and September 30, 2023, our Bank incurred ₹ 411.22 crore, ₹ 172.14 crore, ₹ 148.26 crore, ₹ 71.24 crore and ₹ 228.76 crore, respectively, on capital expenditures incurred in connection with upgradation of our information technology infrastructure. In other area the bank has incurred capital expenditure of ₹ 80.32 crore, ₹ 29.99 crore, ₹ 34.83 crore, ₹ 11.79 crore and ₹ 40.37 crore in Fiscal 2021, 2022 and 2023 and in the six months ended September 30, 2022 and September 30, 2023, respectively.

Contingent Liabilities

Our contingent liabilities primarily relate to liabilities on account of outstanding forward exchange contracts that we enter into on our own account and on behalf of our customers. Guarantees given on behalf of entities, acceptances, endorsements, claims against us not acknowledged as debts and other obligations also form part of our contingent liabilities. Claims against us not acknowledged as debts represent claims filed against us in the normal course of business relating to various legal cases currently in progress. These also include demands raised by income tax and other statutory authorities and disputed by us.

The table below sets forth, as of the dates indicated, the principal components of our Bank's contingent liabilities as of the dates indicated:

Contingent Liabilities	**As of September 30, 2023 (₹ crore)**
Claims against the Bank not acknowledged as debts	2,129.09
Liability for partly paid investments	433.72
Liability on account of outstanding forward exchange contracts	240,239.22
Guarantees given on behalf of constituents	
In India	27,360.51
Outside India	201.25
Acceptances, endorsements and other obligations	8,427.72
Other items for which Bank is contingently liable	10,506.70
Total	289,298.21

Related Party Transactions

The Bank enters into various transactions with related parties in the ordinary course of business. These transactions principally include remuneration paid to KMP and others. For further information relating to the Bank's related party transactions, see "*Financial Statements*" on page 299.

Off Balance Sheet Arrangements

Except as disclosed in the Financial Statements or elsewhere in this Placement Document, there are no off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates, other unconsolidated entities or financial partnerships that have or are reasonably likely to have a current or future effect on the Bank's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Auditor Observations and Matters of Emphasis

Except as set forth below, there are no emphasis of matters, reservations, qualifications or adverse remarks highlighted by the statutory auditors in their reports to the Bank's financial statements/results for Fiscals 2021, 2022 and 2023, and the six months ended September 30, 2022 and September 30, 2023.

Audited Consolidated Financial Statements of the Bank for the financial years ended March 31, 2021

Matter of Emphasis:

"Note No.5 of the of Consolidated Financial Statement on the impact of uncertainties caused by Covid 19 on the future business and financial results and Managements' assessment of the same in the prevailing situation. The Management is in the process of evaluating the effect of the uncertainties on an ongoing basis with reference to challenges under the prevailing uncertainties.

Note No.19.5 of the Consolidated Financial Statement, that the figures for the year ended 31st March 2021 includes figures of erstwhile Allahabad Bank amalgamated with the Bank whereas figures for the corresponding year ended 31st March 2020 are of pre-amalgamated Indian Bank and hence the same are not comparable.

Note No.19.3.3 on merger of data between Indian Bank and Erstwhile Allahabad Bank carried out during the year and the data migration audit in progress."

Audited Consolidated Financial Statements of the Bank for the financial years ended March 31, 2022

Matter of Emphasis:

"Note No.6 of the Schedule 18 of Consolidated Financial Statement on the impact of uncertainties caused by Covid 19 on the future business and financial results and Management's assessment of the same in the prevailing situation. The Management is in the process of evaluating the effect of the uncertainties on an ongoing basis with reference to challenges under the prevailing uncertainties."

Qualitative Disclosure about Risks and Risk Management

We are exposed to various risks that are an inherent part of any banking business, with the major risks being credit risk, market risk, liquidity risk and operational risk. We have various policies and procedures in place to measure, manage and monitor these risks systematically across all its portfolios. For further information about the types of risks and our risk management policies, see "*Our Business – Risk Management*" on page 175.

For the Bank's interest rate sensitivity analysis, see "*Selected Statistical Information— Interest Rate Sensitivity Analysis*" on page 122. For further information about the types of risks and our risk management policies, see "*Our Business – Risk Management*" on page 175.

New Products or Business Segments

Other than as disclosed in the section titled "*Our Business*" on page 175, the Bank has not publicly announced any new products or business segments nor have there been any material increases in the Bank's revenues due to increased disbursements and introduction of new products.

Unusual or Infrequent Events or Transactions

Except as described in this Placement Document, there have been no other events or transactions that, to the Bank's knowledge, may be described as "*unusual*" or "*infrequent*."

Significant Economic Changes that materially affect or are likely to affect Income from Continuing Operations

The Bank's business has been subject, and is expected to continue to be subject, to significant economic changes that materially affect or are likely to affect income from the Bank's operations identified above in "*—Factors Affecting Results of Operations and Financial Condition*" and the uncertainties described in the section "*Risk Factors*" on page 49.

Total Turnover of each Major Industry Segment in which the Bank Operated

The Bank has recognised Business Segments as its primary reporting segment in line with RBI guidelines in compliance with Accounting Standard 17.

Known Trends or Uncertainties

Other than as described in this Placement Document, particularly in this section and "*Risk Factors*" on page 49, to the Bank's knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on the Bank's revenues or income from continuing operations.

Future Relationship between Cost and Income

Other than as described elsewhere in this section and the sections "*Risk Factors*" on page 49 and "*Our Business*" on page 175, to the Bank's knowledge there are no known factors that will have a material adverse impact on the Bank's operations and finances.

Competitive Conditions

The Bank operates in a competitive environment. See, "*Our Business*" on page 175, "*Industry Overview*" on page 160, "*Risk Factors*" on page 49 and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Results of Operations and Financial Condition*" on page 95.

Significant Developments after September 30, 2023 that may affect the Bank's Future Results of Operations

Except as discussed above and as otherwise stated in this Placement Document, to our knowledge, no circumstances have arisen since the date of the last audited financial statements as disclosed in this Placement Document which materially and adversely affects or is likely to affect, our profitability, or the value of our assets or our ability to pay our liabilities**.**

SELECTED STATISTICAL INFORMATION

The following information should be read together with the Bank's financial statements included in this Placement Document as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations."

All amounts presented in this section have been prepared in accordance with Indian GAAP. The degree to which the financial information prepared in accordance with Indian GAAP will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise specified or as the context requires, financial information herein for Fiscal 2021, 2022 and 2023 is derived from the Audited Standalone Financial Statements and and the Bank's Reviewed Financial Results as of and for the six months ended September 30, 2022 and September 30, 2023, included in this Placement Document.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Placement Document. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. However, note that these non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other banks in India or elsewhere.

Average Balance Sheet of the Bank

The table below presents, for the period indicated, the average balances for interest-earning assets and interest-bearing liabilities of the Bank together with the related interest revenue and expense amounts, resulting in the presentation of the average yields and cost for each period. The average balance is the average of weekly balances outstanding. The average yield on average assets is the ratio of interest revenue to average interest-earning assets. The average cost on average interest-bearing liabilities is the ratio of interest expense to average interest-bearing liabilities.

Particulars	**Year ended March 31,**								
	2021			**2022**			**2023**		
	Average Balance	**Interest Income/ Expense**	**Average Yield/ Cost (%)**	**Average Balance**	**Interest Income/ Expense**	**Average Yield/ Cost (%)**	**Average Balance**	**Interest Income/ Expense**	**Average Yield/ Cost (%)**
	(₹ crores, except percentages)								
Interest-earning assets:									
Advances	368,490.94	27,454.63	7.45%	37,4842.55	27,021.96	7.21%	412,260.95	31,984.28	7.76%
Investments	169,723.07	11,250.03	6.63%	178,382.56	11,143.89	6.25%	180,509.48	11,647.17	6.45%
Others	18,307.72	401.13	2.19%	18,208.09	690.37	3.79%	6,975.84	1,310.76	4.45%
Total interest-earning assets	556,521.73	39,105.79	7.03%	571,433.20	38,856.22	6.80%	599,746.27	44,942.21	7.49%
Non-interest earning assets:									
Fixed assets	39.96	-	-	7,479.50	-	-	7,690.11	-	-

Particulars	Year ended March 31,								
	2021			2022			2023		
	Average Balance	Interest Income/ Expense	Average Yield/ Cost (%)	Average Balance	Interest Income/ Expense	Average Yield/ Cost (%)	Average Balance	Interest Income/ Expense	Average Yield/ Cost (%)
	(₹ crores, except percentages)								
Other assets	3,9907.58	-	-	46334.80	-	-	81,373.65	-	-
Total non-interest earning assets	3,9947.54	-	-	53,814.30	-	-	89,063.76	-	-
Total Assets	596,469.27	39,105.79	6.56%	625,247.50	38856.22	6.21%	688,810.03	44,942.21	6.52%
Interest-bearing liabilities*:									
Total deposits	500,470.39	22,220.79	4.44%	527,413.12	20,935.56	3.97%	555,580.37	22,732.40	4.09%
Subordinated loan	319.18	0.01	0.00%	11,338.56	-	-	-	-	-
Borrowings	28,439.64	1,219.04	4.29%	28,844.47	1,192.71	4.13%	40,725.78	1,984.35	4.87%
Total interest-bearing liabilities	529,229.21	23,439.84	4.43%	567,596.15	22,128.27	3.90%	596,306.15	24,716.75	4.14%
Non-interest bearing liabilities:									
Capital and reserves	17,506.75	-	-	36,911.80	-	-	45,274.09	-	-
Bills payable	0.00	-	-	0.00	-	-	0.00	-	-
Other liabilities	49,733.31	-	-	20,739.55	-	-	47,229.79	-	-
Total non-interest bearing liabilities	67,240.06	-	-	57,651.35	-	-	92,503.88	-	-
Total liabilities	596,469.27	23,439.84	3.93%	625,247.50	221,28.27	3.54%	688,810.03	24,716.75	3.59%

Notes:

* *Demand deposits are current account deposits. Although the Bank does not pay interest on demand deposits, demand deposits have been included as interest bearing liabilities.*

Particulars	Six Months ended September 30,					
	2022			2023		
	Average Balance	Interest Income/ Expense	Average Yield/ Cost (%)	Average Balance	Interest Income/ Expense	Average Yield/ Cost (%)
	(₹ crores, except percentages)					
Interest-earning assets:						
Advances	397,816.86	14,553.46	7.32%	458,632.71	19,820.65	8.64%

Particulars	Six Months ended September 30,					
	2022			2023		
	Average Balance	Interest Income/ Expense	Average Yield/ Cost (%)	Average Balance	Interest Income/ Expense	Average Yield/ Cost (%)
	(₹ crores, except percentages)					
Investments	178,792.75	5,663.09	6.33%	190,647.1	6,432.81	6.75%
Others	12,916.03	647.01	5.01%	3,136.18	539.21	7.18%
Total interest-earning assets	589,525.64	20,863.56	7.08%	652,415.99	26,792.67	8.21%
Non-interest earning assets:						
Fixed assets	7,625.46	-	-	7,631.23	-	-
Other assets	78,853.61	-	-	74,293.59	-	-
Total non-interest earning assets	86,479.07	-	-	81,924.82	-	-
Total Assets	676,004.71	20863.56	6.17%	734,340.81	26,792.67	7.30%
Interest-bearing liabilities*:						
Total deposits	549,028.79	10,796.43	3.93%	598,488.53	14,214.29	4.75%
Subordinated loan	-	-	-	-	-	-
Borrowings	41,457.84	849.17	4.10%	32,777.1	1,134.69	6.92%
Total interest-bearing liabilities	590,486.63	11,645.61	3.94%	631,265.63	15,348.97	4.86%
Non-interest bearing liabilities:						
Capital and reserves	45,599.54	-	-	49,969.38	-	-
Bills payable	0.00	-	-	0.00	-	-
Other liabilities	39,918.54	-	-	53,105.8	-	-
Total non-interest bearing liabilities	85,518.08	-	-	103,075.18	-	-
Total liabilities	676,004.71	11,645.61	3.45%	734,340.81	15,348.97	4.18%

Notes:

* *Demand deposits are current account deposits. Although the Bank does not pay interest on demand deposits, demand deposits have been included as interest bearing liabilities.*

Yields, Spreads and Margins

The following table sets forth, for the periods indicated, the yields, spreads and interest margins on the Bank's interest-earning assets.

Particulars	Year ended March 31,			Six Months ended September 30,	
	2021	2022	2023	2022	2023
	(₹ crores)				
Interest income on interest-earning assets	39,105.79	38,856.22	44,942.21	20,863.56	26,792.67
Interest expense on interest-bearing liabilities	23,439.84	22,128.27	24,716.75	11,645.61	15,348.97
Average interest-earning assets	556,521.73	571,433.20	599,746.27	589,525.64	652,415.99
Average interest-bearing liabilities	529,229.21	567,596.15	596,306.15	590,486.63	631,265.63
Average total assets	596,469.27	625,247.50	688,810.03	676,004.71	734,340.81
Pre-provisioning operating profit[(1)]	10,966.59	12,716.90	15,270.62	7,193.63	8,437.38
Profit after tax	3,004.69	3,944.82	5,281.70	2,438.67	3,696.58
Average interest-earning assets as a	93.30	91.39	87.07	87.21	88.84

Particulars	Year ended March 31,			Six Months ended September 30,	
	2021	2022	2023	2022	2023
	(₹ crores)				
percentage of average total assets					
Average interest-bearing liabilities as a percentage of average total assets	88.73	90.78	86.57	87.35	85.96
Average interest-earning assets as a percentage of average interest-bearing liabilities	105.16	100.67	100.58	99.84	103.35
Yield on advances(2)	7.45	7.21	7.76	7.32	8.64
Yield on funds(3)	7.03	6.80	7.49	7.08	8.21
Cost of funds(4)	4.43	3.90	4.14	3.94	4.86
Spread	2.60	2.90	3.35	3.13	3.35
Net interest margin(5)	2.81	2.93	3.37	3.13	3.51

Notes:

(1) Pre-provisioning operating profit is calculated as interest earned plus other income less interest expended and operating expenses

(2) Yield on advances is interest on advances divided by weekly average balance of advances

(3) Yield on funds is interest income earned on weekly average interest-earning assets.

(4) Cost of funds is interest expense divided by total weekly interest-bearing liabilities.

(5) Net interest margin is the difference of interest earned and interest expended divided by the total weekly average interest-earning assets.

Analysis of Changes in Interest Revenue and Interest Expense by Volume and Rate

The following table sets forth, for the periods indicated, the allocation of the changes in the Bank's interest revenue (including, with respect to equity investments, dividend income) and interest expense between average volume and changes in average rates.

Particulars	Fiscal 2021 vs. Fiscal 2022			Fiscal 2022 vs. Fiscal 2023		
	Increase (Decrease) Due to			Increase (Decrease) Due to		
	Net Change	Change in Average Volume	Change in Average Rate	Net Change	Change in Average Volume	Change in Average Rate
	(₹ crores)					
Interest revenue						
Advances	(432.67)	1,482.05	(1,914.72)	4,962.32	4,252.10	710.22
Investments	(106.14)	541.22	(647.36)	503.28	137.19	366.09
Others	289.24	0.00	289.24	620.39	0.00	620.00
Total interest-earning assets	(249.57)	2,023.27	(2,272.84)	6,085.99	4,389.28	1,696.32
Interest expenses						
Total deposits(1)	(1,285.23)	1,069.64	(2,354.87)	1,796.84	1,152.03	644.81
Subordinated loan	(0.01)	-	-	-	-	-
Borrowings	(26.33)	16.69	(43.02)	791.64	578.65	212.99
Total interest-bearing liabilities.	(1,311.57)	1086.32	(2,397.88)	2,588.48	1,730.68	857.80
Net interest revenue	1,062.00	936.95	125.04	3,497.51	2,658.60	838.52

Notes:

(1) *Total deposit includes saving deposits, current deposits and term deposits.*

Particulars	Six Months ended September 30, 2022 vs. Six Months ended September 30, 2023		
	Increase (Decrease) Due to		
	Net Change	Change in Average Volume	Change in Average Rate
	(₹ crores)		
Interest revenue			
Advances	5,267.19	5,372.64	(105.45)
Investments	769.72	800.17	(30.36)
Others	(107.80)	-	(108.00)
Total interest-earning assets	**5,929.11**	**6,172.81**	**(243.81)**
Interest expenses			
Total deposits(1)	3,417.86	2,349.35	1,068.51
Subordinated loan	-	-	-
Borrowings	285.52	(600.73)	886.25
Total interest-bearing liabilities.	**3,703.38**	**1,748.62**	**1,954.76**
Net interest revenue	**2,225.62**	**4,424.18**	**(2,198.56)**

Notes:

(1) *Total deposit includes saving deposits, current deposits and term deposits*

Financial Ratios of the Bank

The following table sets forth certain key financial indicators as of and for the dates and periods indicated for the Bank.

Particulars	As of and for the year ended March 31,			As of and for the Six Months ended September 30,	
	2021	2022	2023	2022	2023
Return on average equity(1)	10.63	12.13	14.73	14.00	18.90
Return on average assets(2)	0.50	0.63	0.77	0.72	1.01
Dividend payout ratio(3)	8.29	20.52	20.28	-	-
Cost to average assets(4)	1.74	1.75	1.76	1.61	1.83
Tier I capital adequacy ratio	11.93	13.17	13.48	12.89	12.63
Tier II capital adequacy ratio	3.78	3.36	3.01	3.26	2.90
Total capital adequacy ratio	15.71	16.53	16.49	16.15	15.53
Net non-performing assets ratio(5)	3.37	2.27	0.90	1.50	0.60
Allowance as percentage of gross non-performing assets(6)	66.68	73.16	83.66	78.82	86.00
Average net worth to total average assets(7)	2.94	6.36	6.57	6.75	6.80
Credit to deposit ratio(8)	72.54	70.02	76.24	74.37	76.83
Cost to income ratio(9)	48.55	46.21	44.20	43.14	44.29
Other income to operating income ratio(10)	26.50	29.24	26.10	27.13	24.44

Notes:

(1) *Return on average equity is the ratio of the net profit after tax to the quarterly average net worth (capital plus reserves minus revaluation reserve and net DTA).*

(2) *Return on average assets is the ratio of the net profit after tax to the monthly average assets.*

(3) *Dividend payout ratio is the ratio of dividend to net profit.*

(4) *Cost to average assets is the ratio of the operating expenses, excluding lease depreciation, to the weekly average assets.*

(5) *Net non-performing assets ratio is the ratio of net non-performing assets divided by net advances.*

(6) *Allowance as a percentage of gross non-performing assets is the ratio of non-performing asset provisions made to the gross non-performing assets.*

(7) *Average net worth to total average assets is the ratio of quarterly average capital and reserves divided by total monthly average assets.*

(8) *Credit to deposit ratio is calculated as a ratio of total domestic advances excluding interbank advances*

to total domestic deposits excluding interbank deposits.

(9) *Cost to income ratio is calculated as a ratio of operating expenses divided by total operating income (total of net interest income and non-interest income).*

(10) *Other income to operating income ratio is calculated as a ratio of other income divided by total operating income (total of net interest income and non-interest income).*

Return on Equity and Assets

The following table presents selected financial ratios for the Bank for the periods indicated:

Particulars	As of and for the Year ended March 31,			As of and for the Six Months ended September 30,	
	2021	2022	2023	2022	2023
	(₹ crores, except percentages)				
Net profit	3,004.69	3,944.82	5,281.70	2,438.67	3,696.58
Average total assets	596,469.27	62,5247.50	688,810.03	676,004.71	734,340.81
Average shareholders' equity	28,265.39	32,518.26	35,858.53	34,840.55	39,109.09
Net profit as a percentage of average total assets	0.50	0.63	0.77	0.72	1.01
Net profit as a percentage of average shareholders' equity	10.63	12.13	14.73	14.00	18.90
Average shareholders' equity as a percentage of average total assets	4.74	5.20	5.21	5.15	5.33

Investment Portfolio

As of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and 2023, the Bank's investments, (excluding repo deposits) comprised 28.80%, 26.57%, 26.44 %, 27.38% and 27.55%, respectively, and (including repo deposits) comprised 28.80%, 26.57%, 26.44%, 27.38% and 27.55%, respectively, of its total assets, while net advances were 58.17%, 57.94 %, 63.24%, and 61.21%, and 63.70% respectively, of its total assets. The Bank carries out its investment activities according to various investment and trading policies. These policies set forth delegation of powers, types of instruments, maximum limits on investments in different types of securities, position limits, stop loss limits, duration limits and minimum acceptable credit spreads.

The Bank is required to maintain a minimum holding of 18% of its demand and time liabilities in SLR securities. In addition, the surplus funds of the Bank's deposits and advances are invested by the domestic treasury. These investments are in conformity with the Bank's policy on investments and the risk limits set by our Board.

Total Domestic Investment Portfolio

The following table sets forth, as of the dates indicated, information relating to the Bank's total domestic investment portfolio. Domestic investments constituted 98.67%, 99.00%, 98.92%, 99.01% and 99.18% of the Bank's investment portfolio as of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and 2023, respectively.

Particulars	As of March 31,											
	2021				2022				2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ crores)											
Government securities	139,652.71	141,697.37	2,840.82	796.17	140,537.63	139,665.77	926.79	1,798.65	148,626.53	144,920.03	122.42	3,828.92
Other debt securities(1)	33,645.06	33,524.14	457.57	548.51	32,,088.75	31,,769.00	265.13	581.73	35,875.66	35,518.39	87.56	444.83

Particulars	As of March 31,											
	2021				2022				2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ crores)											
Total debt securities	173,297.78	175,221.51	3,298.39	1,344.67	172626.38	171,434.77	1,191.92	2,380.38	184,502.19	180,438.42	209.98	4,273.75
Non-debt securities(2)	6,020.55	3,904.32	664.71	2,642.33	5,556.40	3,265.55	774.28	2,038.90	3,127.79	1,823.89	712.73	2,016.94
Subsidiaries and associates — at cost	252.10	414.39	198.22	30.58	252.10	,216.17	0.00	30.58	252.10	455.95	234.95	31.10
Total	179,570.43	179,540.21	4,161.31	4,017.58	178,434.88	174,916.49	1,966.20	4,449.85	187,882.08	182,718.26	1,157.66	6,321.79

Notes:

(1) *Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.*

(2) *Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.*

Particulars	As of September 30,							
	2022				2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ crores)							
Government securities	147,112.61	142,459.95	61.43	4,714.09	160,699.19	157,444.97	252.85	3,507.06
Other debt securities(1)	33,584.40	33,191.91	114.92	507.41	39,739.98	39,392.33	109.07	456.71
Total debt securities	180,697.01	175,651.86	176.35	5,221.50	200,439.16	196,837.31	361.91	3,963.77
Non-debt securities(2)	3,362.31	2,144.56	807.27	2,025.02	2,868.98	1,827.90	740.63	1,781.70
Subsidiaries and associates — at cost	252.10	451.12	234.95	35.93	252.10	562.89	316.14	5.35
Total	184,311.42	178,247.54	1,218.58	7,282.46	203,560.24	199,228.10	1,418.68	5,750.82

(1) Notes: Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

Available for Sale Investments

The following table sets forth, as of the dates indicated, information related to the Bank's domestic investments available for sale.

Particulars	As of March 31,											
	2021				2022				2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ crores)											
Government securities	34,053.08	34,029.16	204.85	228.77	24,018.10	23,867.47	49.59	200.22	25,989.93	25,901.05	27.19	116.06
Other debt securities[(1)]	11,586.83	11,302.51	294.17	548.51	12,515.80	12,107.19	176.27	581.73	16,577.91	16,200.32	67.23	444.83
Total debt securities	**45,639.91**	**45,331.67**	**499.03**	**777.28**	**36,533.90**	**35,974.66**	**225.86**	**781.95**	**42,567.84**	**42,101.37**	**94.42**	**560.88**
Non-debt securities[(2)]	5,955.02	3,846.04	664.54	2,634.90	5,396.88	3,112.49	769.99	2,028.15	2,889.51	1,591.12	706.79	2,005.47
Subsidiary and associate	-	-	-	-	-	-	-	-	-	-	-	-
Total	**51,594.92**	**49,177.71**	**1,163.56**	**3,412.18**	**41,930.78**	**39,087.15**	**995.85**	**2,810.10**	**45,457.34**	**43,692.49**	**801.20**	**2,566.36**

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

Particulars	As of September 30,							
	2022				2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ crores)							
Government securities	27,823.14	27,656.18	23.83	190.79	33,535.33	33,486.58	180.66	229.41
Other debt securities[(1)]	14,004.46	13,586.59	89.53	507.41	20,061.86	19,697.12	91.96	456.70
Total debt securities	**41,827.60**	**41,242.77**	**113.36**	**698.19**	**53,,597.19**	**53,183.70**	**272.62**	**686.11**
Non-debt securities[(2)]	3,159.11	1,945.48	801.61	2,015.24	2681.68	1,645.63	734.25	1,770.29
Subsidiary and associate	-	-	-	-	-	-	-	-
Total	**44,986.71**	**43,188.25**	**914.97**	**2,713.44**	**56,278.87**	**54,829.33**	**1,006.87**	**2,456.40**

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

Held to Maturity Investments

The following table sets forth, as of the dates indicated, information related to the Bank's domestic investments held to maturity.

Particulars	As of March 31,											
	2021				2022				2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ crores)											
Government securities	105,599.64	107,668.20	2,635.97	567.40	116,485.04	115,763.62	877.00	15,98.42	122,646.58	119,028.94	95.23	3712.86
Other debt securities[(1)]	22,058.24	22,221.63	163.39	-	19,572.95	19,661.81	88.86	-	19,198.77	19,219.10	20.32	-
Total debt securities	127,657.87	129,889.84	27,99.36	567.40	136,057.99	135,425.43	965.86	1,598.42	141,845.35	138,248.04	115.55	3,712.86
Non-debt securities[(2)]	65.53	58.28	0.17	7.42	152.72	146.16	4.17	10.74	235.31	229.78	5.93	11.46
Subsidiary and associate	252.10	414.39	198.22	30.58	252.10	216.17	-	30.58	252.10	455.95	234.95	31.10
Total	127,975.51	130,362.50	2,997.75	605.41	136,462.81	135,787.76	970.03	1,639.74	142,332.76	138,933.77	356.43	3,755.42

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

Particulars	As of September 30,							
	2022				2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ crores)							
Government securities	119,004.92	114,519.20	37.59	4,523.31	127,119.03	123,913.49	72.11	3277.65
Other debt securities[(1)]	19,480.95	19,506.21	25.27	-	19,198.77	19,215.81	17.04	-
Total debt securities	138,485.87	134,025.42	62.85	4,523.31	146,317.80	143,129.31	89.15	3,277.65
Non-debt securities[(2)]	190.95	187.23	5.66	9.37	168.46	163.65	5.84	10.65
Subsidiary and associate	252.10	451.12	234.95	35.93	252.10	562.89	316.14	5.35

Particulars	As of September 30,							
	2022				2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ crores)							
Total	138,928.92	134,663.77	303.46	4,568.61	146,738.37	143,855.85	411.13	3,293.65

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

Held for Trading Investments

The following table sets forth, as of the dates indicated, information related to the Bank's domestic investments held for trading.

Particulars	As of March 31,											
	2021				2022				2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ crores)											
Government securities	-	-	-	-	34.49	34.68	0.20	-	-	-	-	-
Other debt securities(1)	-	-	-	-	-	-	-	-	98.97	98.97	-	-
Total debt securities	-	-	-	-	34.49	34.68	0.20	-	98.97	98.97	-	-
Non-debt securities(2)	-	-	-	-	6.79	6.90	0.11	0.01	2.98	2.99	0.02	-
Subsidiary and Associates	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	41.28	41.58	0.31	0.01	101.95	101.96	0.02	-

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

Particulars	As of September 30,							
	2022				2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ crores)							
Government securities	284.54	284.56	0.02	-	44.83	44.90	0.08	-
Other debt securities[1]	98.99	99.11	0.12	-	479.34	479.39	0.06	0.01
Total debt securities	**383.53**	**383.67**	**0.14**	-	**524.17**	**524.29**	**0.14**	**0.01**
Non-debt securities[2]	12.25	11.85	0.00	0.41	18.84	18.62	0.55	0.76
Subsidiary and associate	-	-	-	-	-	-	-	-
Total	**395.79**	**395.52**	**0.14**	**0.41**	**543.01**	**542.92**	**0.68**	**0.77**

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

Residual Maturity Profile

Available for sale

The following table sets forth, as of the dates indicated, an analysis of the residual maturity profile of the Bank's domestic investments in government and corporate debt securities classified as available for sale and their weighted average market yields.

Particulars	As of September 30, 2023							
	Upto three months		Three months to One Year		One to Five Years		More than Five Years	
	Amount	Yield *	Amount	Yield *	Amount	Yield *	Amount	Yield *
	(₹ crores, except percentages)							
Government securities	2,913.84	6.13 %	886.12	7.01 %	8,092.21	7.39 %	21,594.42	7.52%
Other debt securities	592.66	6.27 %	7,049.40	7.16 %	6,152.31	7.90 %	5,257.29	7.47%
Total debt securities market value	3,506.50	6.16 %	7,935.52	7.14 %	14,244.51	7.61 %	26,851.71	7.51%
Gross book value	3,510.51	6.16 %	7,937.31	7.14 %	14,408.10	7.61 %	27,100.41	7.51%

Particulars	As of September 30, 2022							
	Upto three months		Three months to One Year		One to Five Years		More than Five Years	
	Amount	Yield *	Amount	Yield *	Amount	Yield *	Amount	Yield *
	(₹ crores, except percentages)							
Government securities	3,529.23	4.36 %	6,018.41	5.93 %	7,029.13	7.32 %	11,079.41	7.48%
Other debt securities	400.45	5.96 %	4,026.24	3.40 %	4,128.94	7.87 %	4,786.55	8.05%

Total debt securities market value	3,929.68	4.53%	10,044.65	4.92%	11,158.07	7.52%	15,865.96	7.65%
Gross book value	3,930.79	4.53%	10,082.04	4.92%	11,374.32	7.52%	16,196.05	7.65%

Particulars	**As of March 31, 2023**							
	Upto three months		**Three months to One Year**		**One to Five Years**		**More than Five Years**	
	Amount	**Yield ***	**Amount**	**Yield ***	**Amount**	**Yield ***	**Amount**	**Yield ***
	(₹ crores, except percentages)							
Government securities	6,113.26	6.14%	1,335.57	6.98%	6,206.19	7.30%	12,246.03	8.03%
Other debt securities	3,538.27	7.70%	2,320.10	8.29%	4,221.27	8.15%	5,375.10	8.66%
Total debt securities market value	9,651.52	6.71%	3,655.67	7.81%	10,427.47	7.64%	17,621.14	8.22%
Gross book value	9,666.22	6.71%	3,680.74	7.81%	10,556.88	7.64%	17,921.75	8.22%

Particulars	**As of March 31, 2022**							
	Upto three months		**Three months to One Year**		**One to Five Years**		**More than Five Years**	
	Amount	**Yield ***	**Amount**	**Yield ***	**Amount**	**Yield ***	**Amount**	**Yield ***
	(₹ crores, except percentages)							
Government securities	1,310.48	3.68%	2,319.47	4.22%	9,691.90	5.54%	10,545.63	5.95%
Other debt securities	348.09	4.25%	605.63	4.56%	6,356.41	5.65%	4,537.74	7.96%
Total debt securities market value	1,658.57	3.80%	2,925.10	4.29%	16,048.31	5.58%	15,083.37	6.56%
Gross book value	1,663.70	3.80%	2,918.61	4.29%	16,073.52	5.58%	15,614.55	6.56%

Particulars	**As of March 31, 2021**							
	Upto three months		**Three months to One Year**		**One to Five Years**		**More than Five Years**	
	Amount	**Yield ***	**Amount**	**Yield ***	**Amount**	**Yield ***	**Amount**	**Yield ***
	(₹ crores, except percentages)							
Government securities	953.18	3.02%	11,253.46	3.44%	8,547.44	4.66%	13,275.08	5.71%
Other debt securities	791.61	6.22%	2,257.41	4.65%	5,540.84	5.06%	2,434.93	7.34%
Total debt securities market value	1,744.79	4.47%	13,510.87	3.64%	14,088.29	4.82%	15,710.01	5.96%
Gross book value	1,746.28	4.47%	13,500.84	3.64%	13,908.43	4.82%	16,200.20	5.96%

*Note: * Yield provided is weighted average market yield at which the securities cash flows are discounted to obtain market value.*

Held to maturity

The following table sets forth, as of the dates indicated, an analysis of the residual maturity profile of the Bank's domestic investments in government and corporate debt securities classified as held to maturity and their weighted average market yields.

Particulars	**As of September 30, 2023**

	Upto three months		Three months to One Year		One to Five Years		More than Five Years	
	Amount	Yield*	Amount	Yield*	Amount	Yield*	Amount	Yield*
	(₹ crores, except percentages)							
Government securities	958.16	6.73%	822.84	7.09%	42,722.41	7.31%	79,410.08	7.34%
Other debt securities	-	-	460.89	6.82%	1,377.56	7.38%	17,377.00	7.32%
Total debt securities market value	958.16	6.73%	1,283.73	6.99%	44,099.97	7.31%	96,787.08	7.34%
Gross book value	954.95	6.73%	1,288.56	6.99%	45,140.87	7.31%	98,933.05	7.34%

Particulars	As of September 30, 2022							
	Upto three months		Three months to One Year		One to Five Years		More than Five Years	
	Amount	Yield*	Amount	Yield*	Amount	Yield*	Amount	Yield*
	(₹ crores, except percentages)							
Government securities	-	-	478.83	7.05%	39,119.80	7.25%	74,920.57	7.46%
Other debt securities	-	-	284.35	6.62%	1,294.50	7.39%	17,927.00	7.33%
Total debt securities market value	-	-	763.18	6.89%	40,414.30	7.26%	92,847.57	7.43%
Gross book value	-	-	770.58	6.89%	41,842.49	7.26%	95,872.43	7.43%

Particulars	As of March 31, 2023							
	Upto three months		Three months to One Year		One to Five Years		More than Five Years	
	Amount	Yield*	Amount	Yield*	Amount	Yield*	Amount	Yield*
	(₹ crores, except percentages)							
Government securities	-	-	1,630.68	7.38%	39,518.34	7.21%	77,879.92	7.40%
Other debt securities	-	-	93.96	7.44%	1447.77	7.34%	17,677.00	7.33%
Total debt securities market value	-	-	1,724.64	7.38%	40,966.11	7.21%	95,556.92	7.39%
Gross book value	-	-	1,739.67	7.38%	42,072.49	7.21%	98,032.83	7.39%

Particulars	As of March 31, 2022							
	Upto three months		Three months to One Year		One to Five Years		More than Five Years	
	Amount	Yield*	Amount	Yield*	Amount	Yield*	Amount	Yield*
	(₹ crores, except percentages)							
Government securities	150.23	3.50%	1,149.99	4.19%	35,683.38	5.76%	78,780.02	6.78%
Other debt securities	92.22	7.50%	-	-	1,642.22	5.59%	17,927.00	7.33%
Total debt securities market value	242.45	5.02%	1,149.99	4.19%	37,325.61	5.75%	96,707.02	6.88%
Gross book value	242.13	5.02%	1,150.53	4.19%	37,121.96	5.75%	97,543.00	6.88%

Particulars	As of March 31, 2021							
	Upto three months		Three months to One Year		One to Five Years		More than Five Years	
	Amount	Yield *	Amount	Yield *	Amount	Yield *	Amount	Yield *
	(₹ crores, except percentages)							
Government securities	75.03	6.21%	231.46	4.24%	28,160.84	5.39%	79,200.87	6.46%
Other debt securities	-	-	2,464.51	7.23%	1,546.13	5.66%	18,210.63	7.31%
Total debt securities market value	75.03	6.21%	2,695.97	6.97%	29,706.97	5.41%	97,411.50	6.62%
Gross book value	75.02	6.21%	2,652.01	6.97%	29,083.40	5.41%	95,847.08	6.62%

*Note: * Yield provided is weighted average market yield at which the securities cash flows are discounted to obtain market value.*

Held for trading

The following table sets forth, as of the dates indicated, an analysis of the residual maturity profile of the Bank's domestic investments in government and corporate debt securities classified as held for trading and their weighted average market yields.

Particulars	As of September 30, 2023							
	Upto three months		Three months to One Year		One to Five Years		More than Five Years	
	Amount	Yield *	Amount	Yield *	Amount	Yield *	Amount	Yield *
	(₹ crores, except percentages)							
Government securities	-	-	-	-	-	-	44.90	7.21%
Other debt securities	99.49	6.93%	379.90	7.41%	-	-	-	-
Total debt securities market value	99.49	6.93%	379.90	7.41%	-	-	44.90	7.21%
Gross book value	99.49	6.93%	379.85	7.41%	-	-	44.83	7.21%
Particulars	**As of September 30, 2022**							
	Upto three months		**Three months to One Year**		**One to Five Years**		**More than Five Years**	
	Amount	**Yield ***	**Amount**	**Yield ***	**Amount**	**Yield ***	**Amount**	**Yield ***
	(₹ crores, except percentages)							
Government securities	-	-	-	-	-	-	284.56	7.61%
Other debt securities	-	-	-	-	49.07	7.26%	-	-
Total debt securities market value	-	-	-	-	49.07	7.26%	284.56	7.61%
Gross book value	-	-	-	-	48.99	7.26%	284.54	7.61%

Particulars	As of March 31, 2023							
	Upto three months		Three months to One Year		One to Five Years		More than Five Years	
	Amount	Yield *	Amount	Yield *	Amount	Yield *	Amount	Yield *
	(₹ crores, except percentages)							
Government securities	-	-	-	-	-	-	(9.96)	7.31%
Other debt securities	98.97	7.73%	-	-	-	-	-	-

Total debt securities market value	98.97	7.73 %	-	-	-	-	(9.96)	7.31%
Gross book value	98.97	7.73 %	-	-	-	-	(9.98)	7.31 %

Particulars	**As of March 31, 2022**							
	Upto three months		**Three months to One Year**		**One to Five Years**		**More than Five Years**	
	Amount	**Yield ***	**Amount**	**Yield ***	**Amount**	**Yield ***	**Amount**	**Yield ***
	(₹ crores, except percentages)							
Government securities	-	-	-	-	-	-	34.68	5.37%
Other debt securities	-	-	-	-	-	-	-	-
Total debt securities market value	-	-	-	-	-	-	34.68	5.37%
Gross book value	-	-	-	-	-	-	34.49	5.37%

Particulars	**As of March 31, 2021**							
	Upto three months		**Three months to One Year**		**One to Five Years**		**More than Five Years**	
	Amount	**Yield ***	**Amount**	**Yield ***	**Amount**	**Yield ***	**Amount**	**Yield ***
	(₹ crores, except percentages)							
Government securities	-	-	-	-	-	-	-	-
Other debt securities	-	-	-	-	-	-	-	-
Total debt securities market value	-	-	-	-	-	-	-	-
Gross book value	-	-	-	-	-	-	-	-

*Note: * Yield provided is weighted average market yield at which the securities cash flows are discounted to obtain market value.*

Funding

The Bank's funding operations are designed to ensure stability, low cost of funding and effective liquidity management. The Bank's principal sources of funds are deposits from retail and corporate customers, borrowings from the RBI and other financial institutions, foreign currency borrowings, profits from the purchase and sale of investments, and the public issuance of bonds. Deposits raised from the retail segment were 85.20%, 81.22%, 81.16%, 81.18% and 80.56%, of total deposits as of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and 2023, respectively. Of the Bank's total deposits as of September 30, 2022 and as of September 30, 2023, 5.66% and 5.22%, respectively, were demand deposits 35.28% and 34.89%, respectively, were savings bank deposits, while 59.06% and 59.89%, respectively, were term deposits.

Total Deposits

The following table sets forth, for the periods indicated, the Bank's average outstanding domestic deposits on a weekly average basis and the percentage composition by each category of deposits. For the years ended March 31,2021, 2022 and 2023 and for the six months ended September 30,2022 and 2023, the average cost (interest expense divided by the average of balance for the relevant period) of savings deposits was 3.03%, 2.91%, 2.77%, 2.78%, 2.80% respectively and the average cost of time deposits was 5.78%, 4.93%, 5.25%, 5.14%, and 6.23%, respectively.

The average deposits on a weekly average basis for the periods set forth are as follows:

Particulars	As of March 31,						As of September 30,			
	2021		2022		2023		2022		2023	
	Amount	Percentage of Total (%)	Amount	Percentage of Total (%)	Amount	Percentage of Total (%)	Amount	Percentage of Total (%)	Amount	Percentage of Total (%)
	(₹ crores, except percentages)									
Current deposits	23,281.08	4.72%	24,353.76	4.59%	25,402.80	4.55%	25,702.42	4.64%	25,755.04	4.36%
Savings deposits	179,606.11	36.45%	193,033.51	36.41%	204,563.50	36.65%	202,700.14	36.56%	213,280.19	36.10%
Time deposits	289,918.62	58.83%	312,734.01	58.99%	328,162.94	58.80%	326,034.05	58.80%	351,760.90	59.54%
Total	**492,805.80**	**100.00%**	**530,121.28**	**100.00%**	**558,129.24**	**100.00%**	**554,436.61**	**100.00%**	**590,796.14**	**100.00%**

As of September 30, 2023, individual domestic term deposits in excess of ₹5.00 crores had balance to maturity profiles as set out below.

Particulars	As of September 30, 2023				
	Up to 3 Months	3 to 6 Months	6 to 9 Months	9 to 12 Months	More Than 1 Year
	(₹ crores)				
Balance to maturity for deposits exceeding ₹ 5.00 crores each	39,642.11	24,738.29	7,894.72	8,458.43	7,016.23

Short-term Borrowings

The following table sets forth, for the periods indicated, information related to the Bank's short-term Rupee borrowings, which are comprised primarily of money-market borrowings (call borrowings and CBLO borrowings). Short-term Rupee borrowings exclude deposits and securities sold under repurchase agreements.

Particulars	As of/ For the Year Ended March 31,			As of/ For the Six Months Ended September 30,	
	2021	2022	2023	2022	2023
	(₹ crores, except percentages)				
Period end balance	5,001.70	-	-	4,347.82	-
Average balance during the period not captured(1)	1,045.88	6,042.48	9,441.27	10,225.92	742.09

Average interest rate during the period(2)	3.11%	3.44%	5.38%	4.76%	6.44%
Interest at period end(3)	32.54	207.95	507.92	243.34	23.89

Notes:

(1) Average daily balances outstanding.

(2) Represents the ratio of interest expense on short-term borrowings to the average of balances of short-term borrowings.

(3) Represents the total interest paid on account of short term borrowings during the period.

Perpetual Debt and Tier II Instruments

The following tables set forth, as of September 30, 2023, the details of Perpetual Debt and Tier II instruments issued by the Bank.

a) ***Unsecured, Non-Convertible, Basel III Compliant AT-1 Bonds***

Particulars	Date of Issue	Date of maturity	Coupon rate	₹ crores
8.44% AT-1 Bonds Series II	December 8, 2020	Perpetual	8.44%	1,048.00
TOTAL				**1,048.00**

b) ***Unsecured, Non-Convertible, Basel III compliant AT-1 Bonds***

Particulars	Date of Issue	Date of maturity	Coupon rate	₹ crores
8.44% AT -1 Bonds Series III	December 14, 2020	Perpetual	8.44%	560.00
TOTAL				**560.00**

c) ***Unsecured, Non-Convertible, Basel III compliant AT-1 Bonds***

Particulars	Date of Issue	Date of maturity	Coupon rate	₹ crores
8.44% AT-1 Bonds Series IV	December 30, 2020	Perpetual	8.44	392.00
TOTAL				**392.00**

d) ***Unsecured, Non-Convertible, Basel III Redeemable Tier 2 Bonds***

Particulars	Date of Issue	Date of maturity	Coupon rate	₹ crores
8.90% Tier 2 Bonds Tranche A	October 30, 2018	October 30, 2028	8.90%	290.00
TOTAL				**290.00**

e) ***Unsecured, Non-Convertible, Basel III Redeemable Tier 2 Bonds***

Particulars	Date of Issue	Date of maturity	Coupon rate	₹ crores
8.85% Tier 2 Bonds Tranche B	November 06, 2018	November 06, 2028	8.85%	110.00
TOTAL				**110.00**

f) ***Unsecured, Non-Convertible, Basel III Redeemable Tier 2 Bonds***

Particulars	Date of Issue	Date of maturity	Coupon rate	₹ crores
8.53% Tier 2 Bonds Tranche C	January 22, 2019	January 22, 2029	8.53%	600.00
TOTAL				**600.00**

g) ***Unsecured, Non-Convertible, Basel III Redeemable Tier 2 Bonds***

Particulars	Date of Issue	Date of maturity	Coupon rate	₹ crores
8.78% Tier 2 Series I	January 20, 2015	January 20, 2025	8.78%	500.00
TOTAL				**500.00**

h) ***Unsecured, Non-Convertible, Basel III Redeemable Tier 2 Bonds***

Particulars	Date of Issue	Date of maturity	Coupon rate	₹ crores
8.64%Tier 2 Bonds Series II	December 21, 2015	December 20, 2025	8.64%	1000.00
TOTAL				**1,000.00**

i) ***Unsecured, Non-Convertible, Basel III Redeemable Tier 2 Bonds***

Particulars	Date of Issue	Date of maturity	Coupon rate	₹ crores
8.15% Tier 2 Bonds Series III	January 25, 2017	January 25, 2027	8.15%	1000.00
TOTAL				**1,000.00**

j) ***Unsecured, Non-Convertible, Basel III Redeemable Tier 2 Bonds***

Particulars	Date of Issue	Date of maturity	Coupon rate	₹ crores
9.53% Tier 2 Bonds Series IV	December 27, 2019	December 27, 2029	9.53%	1500.00
TOTAL				**1,500.00**

k) ***Unsecured, Non-Convertible, Basel III Redeemable Tier 2 Bonds***

Particulars	Date of Issue	Date of maturity	Coupon rate	₹ crores
6.18% Tier 2 Bonds Series V	January 13, 2021	January 13, 2031	6.18%	2000.00
TOTAL				**2,000.00**

Subsequent to September 30, 2023, the Bank has exercised Call Option on following Tier 2 Bonds

Particulars	Date of Issue	Date of Exercising Call Option	Coupon rate	₹ crores
8.90% Tier 2 Bonds Tranche A	October 30, 2018	October 30, 2023	8.90%	290.00
TOTAL				**290.00**

Particulars	Date of Issue	Date of Exercising Call Option	Coupon rate	₹ crores
8.85% Tier 2 Bonds Tranche B	November 06, 2018	November 06, 2023	8.85%	110.00
TOTAL				**110.00**

Cash Flow Mismatch Analysis

The following table sets forth the Bank's structural liquidity gap position for its domestic operations as of September 30, 2023:

Particulars	As of September 30, 2023(1)(2)(3)				
	Up to 3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years	Total
	(₹ crores, except percentages)				
Cash and bank balances	14,114.82	10,309.93	9,670.23	4,199.59	38,294.56
Advances	42,059.00	88,181.42	225,452.42	81,413.86	437,106.71
Investments*	82,242.30	42,702.84	39,156.45	35,726.60	199,828.19
Fixed assets	-	-	-	7,443.77	7,443.77
Other assets	7,218.92	5,231.84	4,110.73	17,954.78	34,516.26
Swaps	59,061.13	61,826.26	2,574.40	-	123,461.79
Total assets	204,696.18	208,252.29	280,964.23	146,738.59	840,651.28
Capital and Reserves	-	-	-	51,661.84	51,661.84
Deposits	100,043.18	105,283.30	126,958.13	287,684.50	619,969.12
Borrowings	2,716.24	9,391.36	12,810.05	-	24,917.65
Other liabilities	4,048.43	2,757.73	1,769.09	12,376.45	20,951.70
Swaps, likely availment of unavailed OD/CC & Likely Devolvement of LC/Gtee	62,813.50	66,316.40	133.89	-	129,263.78
Total liabilities	169,621.35	183,748.79	141,671.17	3,51,722.78	846,764.10
Liquidity gap	35,074.82	24,503.50	139,293.06	(204,984.19)	(6,112.82)
Cumulative liquidity gap	35,074.82	59,578.32	198,871.38	(6,112.82)	(6,112.82)
Cumulative liabilities	169,621.35	353,370.14	495,041.32	846,764.10	846,764.10
Cumulative liquidity gap as a % of cumulative liabilities	20.68%	16.86%	40.17%	(0.72)%	(0.72)%

*Notes: *excluding 50% of equity of ₹ 310.82 crore as per guidelines*

(1) Classification methodologies are based on the Asset Liability Management Guidelines issued by the RBI.

(2) Assets and liabilities are classified into categories as per residual maturity.

(3) Assets and liabilities that do not mature or have ambiguous maturities are classified as per historical behavioral analysis or management judgment.

Loan Portfolio and Credit Substitutes

As of September 30, 2023, the Bank's gross loan portfolio was ₹ 458,681.29 crores. As of that date, the Bank's gross non-fund based exposure was ₹ 35,989.46 crores. The majority of the Bank's gross loans and credit substitutes are to borrowers in India.

The Bank makes loans to a wide range of customers in the public and private sectors, including commercial and industrial customers, agricultural customers and individual customers, in each case within the guidelines issued by the RBI. Working capital facilities consist of revolving cash credit facilities and short-term loans. Revolving cash credit facilities, based on a traditional overdraft system of lending, have been the most common form of working capital financing in India. Pursuant to RBI guidelines, only a specified percentage of a working capital facility can be accessed as cash credit, with the balance being short-term loans having a minimum maturity of one year.

The following table sets forth the Bank's loan portfolio by segment as of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and 2023.

Particulars	As of March 31,						As of September 30,			
	2021		2022		2023		2022		2023	
	(₹ crores)	Percentage of Total (%)	(₹ crores)	Percentage of Total (%)	(₹ crores)	Percentage of Total (%)	(₹ crores)	Percentage of Total (%)	(₹ crores)	Percentage of Total (%)
Corporate / Wholesale banking	225,121.18	57.68%	213,165.96	51.29%	230,301.54	48.63%	216,460.29	49.43%	236,361.10	48.01%
Retail banking operations	165,195.78	42.32%	202,458.79	48.71%	243,284.96	51.37%	221,480.71	50.57%	255,927.16	51.99%
Treasury operations	-	-	-	-	-	-	-	-	-	-
Other banking operations	-	-	-	-	-	-	-	-	-	-
Total Gross Loans	**390,316.96**	**100.00%**	**415,624.75**	**100.00%**	**473,586.50**	**100.00%**	**437,941.00**	**100.00%**	**492,288.26**	**100.00%**

Interest Rate Sensitivity Analysis

The following table sets forth the interest rate sensitivity analysis of the Bank's assets and liabilities for the Bank's Indian operations as of September 30, 2023:

	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Non-Sensitive	Total
Assets	(₹ crores)					
Cash & Balances with RBI	515.00	-	-	-	28,775.49	29,290.49
Balances with other banks	5,623.23	664.36	1,573.74	-	1,142.75	9,004.08
Advances	235,084.61	190,014.31	5,289.11	6,718.68	-	437,106.71
Investments	8,364.13	12,830.36	59,167.04	117,644.88	2,132.61	200,139.01
Fixed Assets	-	-	-	-	7,443.77	7,443.77
Other Assets	5,638.76	5,231.84	4,110.73	-	19,534.94	34,516.26
Forex Swaps	65,008.00	61,826.26	2,674.43	-	0.00	1,29,508.69
Total Assets	**320,233.73**	**270,567.12**	**72,815.04**	**124,363.56**	**59,029.56**	**847,009.00**
Liabilities						
Capital & Reserve	-	-	-	-	51,661.84	51,661.84
Deposits	129,685.86	210,189.77	180,356.04	99,737.45	-	619,969.12
Borrowings	2,509.81	9,395.61	12,810.05	-	202.18	24,917.65
Other Liabilities	-	-	-	-	20,951.70	20,951.70
Repos	-	-	-	-	-	-

Assets	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Non-Sensitive	Total
	(₹ crores)					
Forex Swaps	53,864.66	56,194.11	584.01	-	-	1,10,642.78
Total Liabilities	186,060.33	275,779.49	193,750.10	99,737.45	72,815.73	828,143.10

Concentration of Loans and Credit Substitutes

As per the Large Exposure Framework guidelines issued by the RBI on December 1, 2016 to to align the exposure norms for Indian banks with the Basel Committee on Banking Supervision standards, exposure ceilings are 20% of Tier I capital funds in the case of a single borrower and 25% in the case of a borrower group. RBI vide its notification dated May 23, 2020, as a one-time measure, increased bank's exposure to a group of connected counterparties from 25% to 30% of the eligible capital base of the bank. This notification will be applicable till June 30, 2021.

Further, RBI pursuant to a circular dated January 5, 2022 stated the exposure of a bank to a single NBFC which is predominantly engaged in lending against collateral of gold jewellery (i.e. such loans comprising 50 per cent or more of their financial assets), shall not exceed 7.5 per cent of the bank's capital funds (Tier I plus Tier II Capital). However, this exposure ceiling may go up by 5 per cent, i.e., up to 12.5 per cent of banks' capital funds if the additional exposure is on account of funds on-lent by such NBFCs to the infrastructure sector.

The Bank follows a policy of portfolio diversification and evaluates its total financing exposure in a particular industry in the light of the Bank's growth and profitability forecasts for that industry. The Bank's risk department monitors all major sectors of the economy and specifically follows industries in which the Bank has credit exposure. The Bank actively manages its loan portfolio by responding to economic weaknesses in an industry segment by restricting new credits to that industry segment and by increasing new credits to growing industry segments. In order to avoid concentration, the Bank has set internal ceilings on portfolio exposures to different industry sectors.

The following tables set forth, as of the dates indicated, the Bank's gross fund-based loans outstanding categorized by borrower industry or economic activity:

Industry	As of March 31,					
	2021		2022		2023	
	Amount of Fund Based Exposure (₹ crores)	Percentage of Total Fund Based Exposure (%)	Amount of Fund Based Exposure (₹ crores)	Percentage of Total Fund Based Exposure (%)	Amount of Fund Based Exposure (₹ crores)	Percentage of Total Fund Based Exposure (%)
Gems and Jewellery	721.74	0.15%	627.77	0.12%	976.88	0.17%
Infrastructure						
Power	25,140.67	5.22%	25,377.66	4.99%	26,868.94	4.64%
Ports and Roads	13,567.68	2.81%	11,269.88	2.21%	11,131.93	1.92%
Telecommunication	655.35	0.14%	474.90	0.09%	56.55	0.01%
Other Infrastructure	28,233.01	5.86%	29,833.26	5.86%	25,114.02	4.33%
Educational Institution	4,768.81	0.99%	4,440.55	0.87%	4,359.90	0.75%
Hospital	2,296.95	0.48%	2,390.99	0.47%	2,848.80	0.49%
Hotels	1,186.76	0.25%	1,253.52	0.25%	1,305.01	0.23%
Petroleum and	11,922.13	2.47%	12,146.84	2.39%	12,244.50	2.11%

Industry	As of March 31,					
	2021		2022		2023	
	Amount of Fund Based Exposure (₹ crores)	Percentage of Total Fund Based Exposure (%)	Amount of Fund Based Exposure (₹ crores)	Percentage of Total Fund Based Exposure (%)	Amount of Fund Based Exposure (₹ crores)	Percentage of Total Fund Based Exposure (%)
Petroleum Products						
Textiles	9,164.66	1.90%	10,368.95	2.04%	10,963.60	1.89%
Iron and Steel	11,014.08	2.28%	9,801.97	1.93%	11,004.36	1.90%
Engineering	4,372.20	0.91%	4,372.13	0.86%	4,277.41	0.74%
Other Engineering	1,021.09	0.21%	1,091.25	0.21%	1,871.38	0.32%
Electronics and Software	1,465.76	0.30%	1,530.89	0.30%	1,311.48	0.23%
Chemicals & Chemical Products						
Fertilizers	1,215.42	0.25%	1,186.16	0.23%	2,346.33	0.40%
Petrochemicals	1,802.65	0.37%	1,972.29	0.39%	1,881.86	0.32%
Drugs and Pharmaceuticals	1,386.89	0.29%	1,071.24	0.21%	1,067.28	0.18%
Other Chemicals & Chemical Products	1,785.33	0.37%	1,797.92	0.35%	3,141.45	0.54%
Food Processing						
Sugar	1,876.29	0.39%	1,699.99	0.33%	987.66	0.17%
Edible oil and Vanaspati	964.86	0.20%	915.40	0.18%	501.37	0.09%
Tea and Coffee	506.24	0.11%	411.51	0.08%	404.96	0.07%
Other Food Processing	7,910.31	1.64%	9,056.59	1.78%	9,807.73	1.69%
Mining and Quarrying	2,680.41	0.56%	2,578.64	0.51%	4,444.47	0.77%
Cement and Cement Products	3,179.08	0.66%	2,423.35	0.48%	3,159.26	0.55%
Leather and	348.23	0.07%	345.44	0.07%	267.14	0.05%

Industry	As of March 31,					
	2021		2022		2023	
	Amount of Fund Based Exposure (₹ crores)	Percentage of Total Fund Based Exposure (%)	Amount of Fund Based Exposure (₹ crores)	Percentage of Total Fund Based Exposure (%)	Amount of Fund Based Exposure (₹ crores)	Percentage of Total Fund Based Exposure (%)
Leather Products						
Construction Contractors	9,060.98	1.88%	10,721.16	2.11%	9,461.53	1.63%
Rubber, Plastic and their Products	2,984.08	0.62%	3,091.03	0.61%	2,848.10	0.49%
Automobiles	2,083.88	0.43%	2,239.88	0.44%	2,435.22	0.42%
Beverages and Tobacco	801.69	0.17%	816.30	0.16%	1,052.96	0.18%
Wood and Wood Products	631.08	0.13%	670.79	0.13%	716.49	0.12%
Paper and Paper Products	1,958.91	0.41%	1,779.01	0.35%	1,966.27	0.34%
Glass and Glass Ware	368.97	0.08%	89.46	0.02%	82.72	0.01%
Other Metals and Metal Products	3,104.28	0.64%	2,740.05	0.54%	3,320.81	0.57%
Printing and Publishing	810.76	0.17%	722.73	0.14%	679.21	0.12%
Aviation	225.36	0.05%	-	-	152.48	0.03%
Media and Entertainment	569.11	0.12%	477.51	0.09%	530.57	0.09%
Logistics	1,807.77	0.37%	1,561.81	0.31%	1,600.17	0.28%
Shipping	609.48	0.13%	1,004.76	0.20%	653.70	0.11%
NBFC (incl MFI/HFC)	58,223.51	12.08%	61,319.80	12.05%	77,881.49	13.44%
Capital Market Exposure (CME)	2,127.78	0.44%	2,406.62	0.47%	2,276.11	0.39%
Commercial Real Estate (CRE)	7,631.76	1.58%	8,274.70	1.63%	15,611.59	2.69%

Industry	As of September 30,			
	2023		2022	
	Amount of Fund Based Exposure (₹ crores)	Percentage of Total Fund Based Exposure (%)	Amount of Fund Based Exposure (₹ crores)	Percentage of Total Fund Based Exposure (%)
Gems and Jewellery	721.47	0.12%	718.35	0.14%
Infrastructure				
Power	25,601.37	4.31%	24,698.63	4.74%
Ports and Roads	12,707.34	2.14%	11,212.91	2.15%
Telecommunication	1,636.87	0.28%	175.42	0.03%
Other Infrastructure	26,309.06	4.42%	27,634.06	5.30%
Educational Institution	4,673.29	0.79%	4,579.40	0.88%
Hospital	2,951.00	0.50%	2,676.75	0.51%
Hotels	1,457.53	0.25%	1,403.60	0.27%
Petroleum and Petroleum Products	10,283.69	1.73%	11,679.80	2.24%
Textiles	10,941.13	1.84%	10,832.78	2.08%
Iron and Steel	9,993.98	1.68%	10,533.24	2.02%
Engineering	5,157.09	0.87%	4,442.22	0.85%
Other Engineering	1,980.76	0.33%	1,375.37	0.26%
Electronics and Software	1,577.93	0.27%	1,309.34	0.25%
Chemicals and Chemical Products				
Fertilizers	2,224.60	0.37%	1,195.41	0.23%
Petrochemicals	1,581.48	0.27%	1,870.68	0.36%
Drugs and Pharmaceuticals	1,461.10	0.25%	1,219.67	0.23%
Other Chemicals & Chemical Products	1,607.23	0.27%	3,044.60	0.58%
Food Processing				
Sugar	919.22	0.15%	1,260.85	0.24%
Edible oil and Vanaspati	505.23	0.08%	556.07	0.11%
Tea and Coffee	399.53	0.07%	490.10	0.09%
Other Food Processing	10,721.15	1.80%	9,396.18	1.80%
Mining and Quarrying	3,345.45	0.56%	3,096.81	0.59%
Cement and Cement Products	3,,206.69	0.54%	2,695.22	0.52%
Leather and Leather Products	299.36	0.05%	310.63	0.06%

Industry	As of September 30,			
	2023		2022	
	Amount of Fund Based Exposure (₹ crores)	Percentage of Total Fund Based Exposure (%)	Amount of Fund Based Exposure (₹ crores)	Percentage of Total Fund Based Exposure (%)
Construction Contractors	9,751.43	1.64%	10,355.08	1.99%
Rubber, Plastic and their Products	3,128.67	0.53%	2,918.02	0.56%
Automobiles	2,487.80	0.42%	2,301.72	0.44%
Beverages and Tobacco	1,315.66	0.22%	1,085.15	0.21%
Wood and Wood Products	723.77	0.12%	695.06	0.13%
Paper and Paper Products	1,880.20	0.32%	1,845.88	0.35%
Glass and Glass Ware	88.97	0.01%	100.94	0.02%
Other Metals and Metal Products	3,288.92	0.55%	2,874.94	0.55%
Printing and Publishing	674.56	0.11%	728.06	0.14%
Aviation	191.12	0.03%	60.38	0.01%
Media and Entertainment	558.26	0.09%	615.62	0.12%
Logistics	1,464.97	0.25%	1,613.30	0.31%
Shipping	1,047.72	0.18%	662.28	0.13%
NBFC (incl MFI/HFC)	66,365.94	11.16%	69,768.21	13.39%
Capital Market Exposure (CME)	2,218.14	0.37%	2,509.04	0.48%
Commercial Real Estate (CRE)	17,971.36	3.02%	9,751.31	1.87%

The following tables set forth the Bank's top ten largest loan exposures by sectors as of the dates indicated.

Sector	As of September 30, 2023 (₹ crores)
NBFC (including MFI/HFC)	66,365.94
Other Infrastructure	26,309.06
Power	25,601.37
Petroleum and Petroleum Products	10,283.69
Ports and Roads	12,707.34
Iron and Steel	9,993.98
Textiles	10,941.13
Construction Contractors	9,751.43
Commercial Real Estate (CRE)	17,971.36
Other Engineering	1,980.76
Total	**191,906.06**

Sector	As of September 30, 2022 (₹ crores)
NBFC (including MFI/HFC)	69,768.21

Sector	As of September 30, 2022 (₹ crores)
Other Infrastructure	27,634.06
Power	24,698.63
Petroleum and Petroleum Products	11,679.80
Ports and Roads	11,212.91
Iron and Steel	10,533.24
Textiles	10,832.78
Construction Contractors	10,355.08
Commercial Real Estate (CRE)	9,751.31
Other Engineering	1,375.37
Total	**187,841.39**

Sector	As of March 31, 2023 (₹ crores)
NBFC (including MFI/HFC)	77,881.49
Other Infrastructure	25,114.02
Power	26,868.94
Petroleum and Petroleum Products	12,244.50
Ports and Roads	11,131.93
Iron and Steel	11,004.36
Textiles	10,963.60
Construction Contractors	9,461.53
Commercial Real Estate (CRE)	15,611.59
Other Engineering	1,871.38
Total	**202,153.34**

Sector	As of March 31, 2022 (₹ crores)
NBFC (including MFI/HFC)	61,319.80
Other Infrastructure	29,833.26
Power	25,377.66
Petroleum and Petroleum Products	12,146.84
Ports and Roads	11,269.88
Iron and Steel	9,801.97
Textiles	10,368.95
Construction Contractors	10721.16
Commercial Real Estate (CRE)	8,274.70
Other Engineering	1,091.25
Total	**180,205.47**

Sector	As of March 31, 2021 (₹ crores)
NBFC (including MFI/HFC)	58,223.51
Other Infrastructure	28,233.01
Power	25,140.67
Petroleum and Petroleum Products	11,922.13
Ports and Roads	13,567.68
Iron and Steel	11,014.08
Textiles	9,164.66
Construction Contractors	9,060.98
Commercial Real Estate (CRE)	7,631.76
Other Engineering	1,021.09
Total	**174,979.57**

As per Large Exposure Framework of RBI the aggregate exposure of the Bank's ten largest group borrowers amounted to ₹ 56,139.85 crores, representing 124.86% of the Bank's Tier I Capital as of September 30, 2023. The

Bank's exposure to the single largest group borrower as per Large Exposure Framework was ₹ 8,848.27 crores representing 19.68% of the Bank's Tier I capital on such date.

The Bank's exposure as per Large Exposure Framework to its ten largest individual borrowers was ₹ 55,176.45 crores, representing 122.71% of the Bank's Tier I Capital as of September 30, 2023.

Regional Concentration

The Bank's widespread branch network enables the Bank to diversify its lending risks geographically. The following table presents an analysis of the Bank's domestic advances by region as of the dates indicated.

Region	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(₹ Crores)				
Northern	623,37.55	61,451.70	62,598.00	63,537.95	60,108.20
North Eastern	3,185.32	3,432.50	3,738.21	3,440.81	4,095.20
Eastern	38,505.92	43,688.92	44,439.32	42,,458.21	46,326.26
Central	47,614.00	51,871.46	55,851.27	52068.97	58,262.28
Western	61641.30	63,193.93	85,827.21	70,780.08	88,789.30
Sothern	166,252.64	172,059.10	191,466.79	179,211.82	201,100.05
Grand Total	**379,536.73**	**395,697.61**	**443,920.80**	**411,497.84**	**458,681.29**

Non-Performing Assets

The Bank has in the past suffered losses through impairment of loans as some borrowers were impacted by negative trends in the global market place, recessionary conditions in the domestic economy, increased competition and volatility in industrial growth and commodity prices. The Bank has adopted several measures to refine its credit selection processes and appraisal capabilities.

The management of NPAs has been one of the focus areas of the Bank with the objective to achieve global benchmarks. Towards this goal, the Bank has focused on:

- identification and monitoring of Special Mention Accounts as per RBI guidelines in order to check the movement of Standard Assets into the NPA category, conducting regular reviews and taking quick corrective action;
- restructuring impaired standard accounts as well as viable NPAs, both under the various schemes developed by the RBI as well as under the Bank's own scheme for limiting NPAs;
- upgrading the Bank's assets; and
- high-value accounts and cases referred to the DRT/NCLT.

The Bank's gross NPA ratio decreased from 9.85% as of March 31, 2021 to 8.47% as of March 31, 2022 and decreased to 5.95% as of March 31, 2023 and decreased to 4.97% as of September 30, 2023. The Bank's net NPA ratio decreased from 3.37% as of March 31, 2021 to 2.27% as of March 31, 2022 and decreased to 0.90% as of March 31, 2023 and decreased to 0.60% as of September 30, 2023. See "*Risk Factors — Risks Relating to the Bank's Business — An increase in our portfolio of NPAs or provisioning requirements mandated by the RBI could adversely affect our business, financial condition and results of operations*" on page 49.

The following table sets forth, for the periods indicated, information about the Bank's NPA portfolio.

Particulars	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(₹ crores)				
Non-Performing Assets					
Gross NPAs	38,455.35	35,214.25	28,179.52	31,958.83	24,487.53
Specific provisions (NPA and NPV provisions)	25,572.50	25,690.59	23,503.91	25,118.57	20,988.56

Particulars	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(₹ crores)				
Floating provisions	70.76	70.76	70.76	70.76	70.76
NPA net of provisions and net table credits	12,271.13	8,848.64	4,043.07	6,174.13	2,825.85
Gross customer assets	390,316.96	415,624.75	473,586.50	437,941.00	492,288.26
Net customer assets	364,010.24	389,186.06	449,296.73	412,073.54	470,626.58
Gross NPAs/gross customer assets (%)	9.85	8.47	5.95	7.30	4.97
Net NPAs/net customer assets (%)	3.37	2.27	0.90	1.50	0.60
Specific provision as a percentage of gross NPAs	66.50	72.96	83.41	78.60	85.71
Total provisions as a percentage of gross NPAs	66.68	73.16	83.66	78.82	86.00
Provision cover (including prudential write-offs)	82.12	87.38	93.82	91.08	95.64

Note: Contingency Fund not included in Provision percentage

The following table sets forth, for the periods indicated, information about the Bank's NPA portfolio by primary business segments.

Particulars	Assets Reclassified as NPAs during the year ended	NPAs from Segment as of	Segment as Percentage to Total NPAs as of
	March 31, 2023		
	(₹ crores, expect percentages)		
Corporate / Wholesale	1,094.31	8,325.80	29.55%
Retail banking	5,547.97	19,853.72	70.45%
Treasury operations	-	-	-
Other banking operations	-	-	-
Total	**6,642.28**	**28,179.52**	**100.00%**

Particulars	Assets Reclassified as NPAs during the year ended	NPAs from Segment as of	Segment as Percentage to Total NPAs as of
	March 31, 2022		
	(₹ crores, expect percentages)		
Corporate / Wholesale	3,547.45	15,318.25	43.65%
Retail banking	6,259.15	19,896.00	56.50%
Treasury operations	-	-	-
Other banking operations	-	-	-
Total	**9,806.60**	**35,214.25**	**100.00%**

Particulars	Assets Reclassified as NPAs during the year ended	NPAs from Segment as of	Segment as Percentage to Total NPAs as of
	March 31, 2021		
	(₹ crores, expect percentages)		
Corporate / Wholesale	4,554.72	20,883.55	54.31%
Retail banking	4,597.60	17,571.80	45.69%
Treasury operations	-	-	-
Other banking operations	-	-	-
Total	**9,152.32**	**38,455.35**	**100.00%**

Particulars	Assets Reclassified as NPAs during the year ended	NPAs from Segment as of	Segment as Percentage to Total NPAs as of

	September 30, 2023		
	(₹ crores, expect percentages)		
Corporate / Wholesale	990.54	5,205.49	21.26%
Retail banking	2,739.03	19,282.04	78.74%
Treasury operations	-	-	-
Other banking operations	-	-	-
Total	**3,729.57**	**24,487.53**	**100.00%**
Particulars	**Assets Reclassified as NPAs during the year ended**	**NPAs from Segment as of**	**Segment as Percentage to Total NPAs as of**
	September 30, 2022		
	(₹ crores, expect percentages)		
Corporate / Wholesale	880.42	11,370.46	35.58%
Retail banking	3,476.00	20,588.37	64.42%
Treasury operations	-	-	-
Other banking operations	-	-	-
Total	**4,356.42**	**-**	**100.00%**

Particulars	**Segment as Percentage to Total Loans as of**				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**September 30, 2022**	**September 30, 2023**
	(₹ crores, expect percentages)				
Corporate / Wholesale	57.68%	51.29%	48.63%	49.43%	48.01%
Retail banking	42.32%	48.71%	51.37%	50.57%	51.99%
Treasury operations	-	-	-	-	-
Other banking operations	-	-	-	-	-
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

The Bank's net provisioning coverage ratio as of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and 2023, computed as per RBI guidelines, was 82.12%, 87.38%, 93.82%, 91.08% and 95.64%, respectively.

Provisions for NPAs

The following table sets forth, for the periods indicated, information about Bank's provisions against NPAs.

Particulars	**Fiscal**			**Six Months ended September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
	(₹ crores)				
Specific provisions:					
Specific provisions at the beginning of the period	27,027.50	25,572.50	25,690.59	25,690.59	23,503.91
Addition during the period	6,663.77	8,142.52	6,342.14	4,075.76	1,920.37
Reductions during the period on account of recovery and write-offs	8,118.77	8,024.43	8,528.82	4,647.78	4,435.72
Specific provisions at the end of the period	25,572.50	25,690.59	23,503.91	25,118.57	20,988.56
Floating provisions:					
Floating provisions at the beginning of the period	70.76	70.76	70.76	70.76	70.76
Additions during the period	-	-	-	-	-
Utilizations during the period	-	-	-	-	-
Floating provisions at the end of the period	70.76	70.76	70.76	70.76	70.76
Total specific and floating provisions at	25,643.27	25,761.35	23,574.67	25,189.33	21,059.32

Particulars	Fiscal			Six Months ended September 30,	
	2021	2022	2023	2022	2023
	(₹ crores)				
the end of the period					

The following table sets forth the details of the movement in NPAs for the periods indicated:

	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six Months ended September 30, 2022	Six Months ended September 30, 2023
	(₹ crores, except percentages)				
Cash Recovery	3,859.56	3,475.22	4,523.5	2,253.65	2,171.67
Up gradation	686.18	1,574.23	1,145.72	977.50	909.1
Write Off	8,426.17	8,356.31	8,408.24	4,660.02	4,461.37
Gross Reduction	12,971.91	13,405.76	14,077.46	7,891.17	7,542.14
Fresh Slippages	9,429.55	10,164.66	7,042.73	4,635.74	3,850.14
Net Increase/ (Decrease)	(3,542.36)	(3,241.10)	(7,034.73)	(3,255.43)	(3,692.00)
Gross NPA%	9.85	8.47	5.95	7.30	4.97

Note: Write Off includes other reduction also.

The following table sets forth the classification of gross loan assets of the Bank at the dates indicated.

Standard	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(₹ crores)				
Standard					
Non-performing assets	38,455.35	35,214.25	28,179.53	31,958.83	24,487.53
Sub-standard assets	7,369.96	5,202.87	4,191.40	4,032.87	3,428.43
Doubtful assets	24,657.93	25,063.05	15,762.68	22,180.70	13,255.19
Loss assets	6,427.46	4,948.33	8,225.45	5,745.26	7,803.91
Total	**76,910.70**	**70,428.50**	**56,359.06**	**63,917.66**	**48,975.06**

The following table sets forth the Bank's NPAs for its ten largest accounts, broken down by industry, as of September 30, 2023.

Industry	Name of Borrower	Gross Principal Outstanding
		(₹ crores)
ENGINEERING	M/S. Gupta Power Infrastructure Limited	312.15
POWER	R K M Powergen Private Limited	267.77
POWER	I L F S Tamil Nadu Power Company Limited	264.93
INFRASTRUCTURE	Atal Nagar Vikas Pradhikaran	200.50
CONSTRUCTION	M/S BGR Energy Systems Limited	185.86
TRADE	Compuage Infocom Limited	181.71
INFRASTRUCTURE	Gammon Engineers and Contractors Private Limited	162.00
INFRASTRUCTURE	Road Infrastructure Development Company of Rajasthan Limited	157.19
ENGINEERING	Munoth Industries Limited	88.71
TEXTILE	JCT Limited	63.16

The following table sets forth the movement of the Bank's NPAs as of the periods indicated:

Movement of NPAs	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six Months ended September 30, 2022	Six Months ended September 30, 2023
	(₹ crores)				
Gross NPA – opening	41,997.71	38,455.35	35,214.25	35,214.25	28,179.53
Additions	**9,429.55**	**10,164.66**	**7,042.73**	**4,635.74**	**3,850.14**
Reductions of which:	12,971.91	13,405.76	14,077.46	7,891.17	7,542.14
Recovery + Upgrades	4,545.74	5,049.45	5,566.36	3,181.15	3,080.77
Write-off	8,426.17	8,356.31	8,408.24	4,660.02	4,461.37
Transfer to ARCs	-	-	102.86	50.00	0.00
Gross NPA – closing	**38,,455.35**	**35,214.25**	**28,179.52**	**31,958.82**	**24,487.53**
Provisions, ECGC claim settled	26184.22	26,365.61	24,136.46	25,784.70	21,661.68
Net NPA	12,271.13	8,848.64	4,043.06	6,174.13	2,825.85
Provision cover – specific (%) (NPA accounts only)	**68.09**	**74.87**	**85.65**	**80.68**	**88.46**
Provision cover – including technically written-off (%)	**82.12**	**87.38**	**93.82**	**91.08**	**95.64**
GNPA (%)	**9.85**	**8.47**	**5.95**	**7.30**	**4.97**
Net NPA (%)	**3.37**	**2.27**	**0.90**	**1.50**	**0.60**

Note: Write off includes other reduction also. Provision, ECGC claim settled includes interest realizable amount held for funded interest term loan.

Recognition of NPAs and Provisioning

RBI Classification and Provisioning Requirements

The Bank classifies its assets in accordance with the RBI guidelines. The RBI guidelines require Indian banks to classify their NPAs into three categories, as described below, based on the period for which the asset has remained non performing and the estimated realization of amounts due in relation to such asset. Further, the NPA classification is at the borrower level, rather than at the facility level and, accordingly, if one of the advances granted to a borrower becomes non-performing, such borrower is classified as non-performing and all advances due from it are so classified.

A non-performing asset is a loan or an advance where: (i) interest and/or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan; (ii) the account remains "out of order" in respect of an overdraft or cash credit; (iii) the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted; (iv) the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops; (v) the instalment of principal or interest thereon remains overdue for one crop season for long duration crops; (vi) the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of guidelines on a securitization dated February 1, 2006; or (vii) in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment. According to guidelines specified by RBI in July 2013, an account should be classified as an NPA on the basis of the record of recovery and not merely on deficiencies which are temporary in nature, such as non-renewal of limits on the due date or non-submission of stock statements.

Further, RBI requires the banks to classify an account as a non-performing asset only if the interest due and charged during any quarter is not serviced fully within 90 days from the end of the quarter

Assets are classified as below:

Standard asset	Performing assets are Standard Assets which do not disclose any problem and which do not carry more than the normal risk attached to the business. The performing asset is one which generates income for the bank.
Sub-standard asset	With effect from March 31, 2005, a Sub-standard Asset would be one which has remained a NPA for a period less than or equal to 12 months.
Doubtful asset	With effect from March 31, 2005, an account would be classified as doubtful if it had continuously remained in the sub-standard category for 12 months. Further, these doubtful assets are to be classified into the following three categories, depending on the period for which such assets have been classified as doubtful: • assets which have remained in the doubtful category for a period of up to one year; • assets which have remained in the doubtful category for a period of more than one year but less than three years; and • assets which have remained in the doubtful category for a period of more than three years.
Loss asset	In accordance with RBI guidelines, a loss asset is one where the loss has been identified by the bank, internal auditor, external auditors or the RBI at the time of inspection, but the amount has not been written off wholly. In cases of serious credit impairment, an asset is required to be immediately classified as doubtful or as a loss asset, as appropriate. Further, erosion in the value of the security provided may also be considered significant when the realizable value of the security is less than 50.00% of the value as assessed by the bank or as accepted by RBI at the time of the last inspection of the security, as the case may be. In such a case, the assets secured by such impaired security may immediately be classified as doubtful, and provisioning should be made as applicable to doubtful assets. If the realizable value of the security, as assessed by the bank or approved valuation agents or by RBI, is less than 10.00% of the outstanding amount in the borrower's accounts, the existence of security should be ignored and the asset should be immediately classified as a loss asset and it may be either written off or fully provided for by the bank.

The following table provides a summary of the Bank's gross loan assets as of the periods indicated, in accordance with RBI classifications.

Asset Category	**As of March 31,**			**As of September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
	(₹ crores)				
Standard	351,861.61	380,410.50	445,406.97	405,982.17	467,800.73
Sub-standard assets	7,369.96	5,202.87	4,191.40	4,032.87	3,428.43
Doubtful assets	24,657.93	25,063.05	15,762.68	22,180.70	13,255.19
Loss assets	6,427.46	4,948.33	8,225.45	5,745.26	7,803.91
Total	390,316.96	415,624.75	473,586.50	437,941.00	492,288.26

The following table sets forth the Bank's provisions for possible credit losses at the dates indicated.

Asset Category	**As of March 31,**			**As of September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
	(₹ crores)				
Provision held	25,643.27	25,761.35	23,574.67	25,189.33	21,059.32
Provision held as percentage of gross advances	6.57%	6.20%	4.98%	5.75%	4.28%
Provision held as percentage of	66.68%	73.16%	83.66%	78.82%	86.00%

Asset Category	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(₹ crores)				
gross NPAs					

Restructured Assets

The RBI has issued separate guidelines for restructured assets. A fully secured standard asset can be restructured by rescheduling principal repayments and/or the interest element, but it must be separately disclosed as a restructured asset. The amount of sacrifice, if any, in the element of interest, measured in present value terms, is either written-off, or provision is made to the extent of the sacrifice involved. Similar guidelines apply to sub-standard assets. The sub-standard accounts which have been subjected to restructuring as per earlier guidelines of RBI, whether in respect of a principal installment or an interest amount, are eligible to be upgraded to the standard category only after the specified period, which is a period of one year after the date when first payment of principal or interest, whichever is earlier, falls due, subject to satisfactory performance during the period.

The following table sets forth a summary of the Bank's restructured assets as of and for the year ended March 31, 2023.

	Standard	NPAs	Total
	(₹ crores)		
Restructure Asset as of April 1, 2022	19,457.29	5,836.30	25,293.59
New Restructure during Fiscal 2023	6,530.83	500.56	7,031.39
Asset Upgraded to Restructured Accounts during Fiscal 2023	418.63	(418.63)	0.00
Reclassified restructure assets as of March 31, 2023	(799.61)	-	(799.61)
Restructure account downgraded during Fiscal 2023	(2,155.96)	2,155.96	0.00
Change in outstanding/write off/recovery/closures during Fiscal	(5,433.72)	(2,749.05)	(8,182.77)
Restructured Accounts as of March 31, 2023	18,017.46	5,325.14	23,342.60

Note:
(1) Restructured standard advances which no longer required higher provisioning and therefore not required to be classified as a restructured asset.

The following table sets forth a summary of the Bank's restructured assets as of and for the year ended March 31, 2022.

	Standard	NPAs	Total
	(₹ crores)		
Restructure Asset as of April 1, 2021	5,963.49	4,513.37	10,476.86
New Restructure during Fiscal 2022	16,720.35	2,101.42	18,821.77
Asset Upgraded to Restructured Accounts during Fiscal 2022	229.34	(229.34)	-
Reclassified restructure assets as of March 31, 2022	(966.28)	-	(966.28)
Restructure account downgraded during Fiscal 2022	(1,697.88)	1,697.88	-
Change in outstanding/write off/recovery/closures during Fiscal	(791.74)	(2,247.02)	(3,038.76)
Restructured Accounts as of March 31, 2022	19,457.28	(5,836.31)	25,293.59

Note:
(1) Restructured standard advances which no longer required higher provisioning and therefore not required to be classified as a restructured asset.

The following table sets forth a summary of the Bank's restructured assets as of and for the year ended March 31, 2021.

	Standard	NPAs	Total
	(₹ crores)		
Restructure Asset as of April 1, 2020	3,585.55	2,917.26	6,502.81
New Restructure during Fiscal 2021	3,987.13	1,275.38	5,262.51
Asset Upgraded to Restructured Accounts during Fiscal 2021	207.12	(207.12)	-
Reclassified restructure assets as of March 31, 2021	(560.28)	-	(560.28)
Restructure account downgraded during Fiscal 2021	(707.37)	707.37	-
Change in outstanding/write off/recovery/closures during Fiscal	(548.66)	(179.52)	(728.18)

Restructured Accounts as of March 31, 2021	5,963.49	4,513.37	10,476.86

Note:
(1) Restructured standard advances which no longer required higher provisioning and therefore not required to be classified as a restructured asset.

The following table sets forth restructured standard assets of the Bank broken down by industry, as of September 30, 2023.

Industry	**As of September 30, 2023**	
	Amount (₹ crores)	**Percentage of Total**
Power	438.41	2.96%
Roads	-	-
Retail	5,484.92	37.03%
Contractor	319.13	2.15%
Agriculture	485.11	3.28%
Other industries	8,084.22	54.58%
Total	**14,811.79**	**100.00%**

Provisioning and Write-Offs

RBI guidelines on provisioning and write-offs are as follows:

<table>
<tr><td>Standard asset</td><td colspan="2">A general provision on Standard Assets with a minimum of 0.40% is to be made with the exception of direct advances to agriculture and SME sectors for which a provision of 0.25% will be made, and for residential housing loans under "teaser" loan category, a provision of 2.00% will be made. For commercial real estate loans, a provision of 1.00% will be made. Further in case of advance restructured with effect from June 1, 2016 and prior to June 1, 2016, a provision of 5.00% and 3.50% respectively is done for a period covering moratorium and two years thereafter if the account remains standard. An account upgraded to standard category from non-performing advance, a provision of 3.50% is made in the first year from the date of upgrade.</td></tr>
<tr><td>Sub-standard asset</td><td colspan="2">A general provision of 15.00% on total outstanding loans should be made without making any allowance for Export Credit Guarantee Corporation of India (ECGC) guarantee cover and securities available. The unsecured outstanding which are identified as sub-standard would attract an additional provision of 10.00% (i.e. a total of 25.00% on the outstanding balance).

Unsecured outstanding is defined as an outstanding where the realizable value of security, as assessed by the bank, the approved valuers and the RBI's inspecting officers, is not more than 10.00%, ab-initio, of the outstanding. Security will mean tangible security properly discharged to the bank and will not include intangible securities such as guarantees and comfort letters.</td></tr>
<tr><td rowspan="5">Doubtful asset</td><td colspan="2">Provisioning at 100.00% is to be made for the deficit portion i.e. to the extent to which advances are not covered by the realizable value of the security to which the Bank has a valid recourse and the realizable value is estimated on a realistic basis. With regard to the secured portion, as per the revised guidelines of the RBI, provision is to be made at rates ranging from 25% to 100.00% of the secured portion depending upon the period for which the advance has remained in the doubtful category. In regard to the secured portion, provision is to be made in accordance with the table below:</td></tr>
<tr><td>Period for which advance remained in "Doubtful" category</td><td>Provision requirement (%)</td></tr>
<tr><td>Up to one year</td><td>25.0%</td></tr>
<tr><td>One to three years</td><td>40.0%</td></tr>
<tr><td>More than three years</td><td>100.0%</td></tr>
<tr><td>Loss asset</td><td colspan="2">The entire asset is written off or 100.0% provision is made on outstanding amount.</td></tr>
</table>

Floating Provisions

In June 2006, the RBI issued prudential norms on creation and utilization of floating provisions (i.e., provisions which are not made in respect of specific non-performing assets or are made in excess of regulatory requirements for provisions for Standard Assets). The norms state that floating provisions can be used only for contingencies under extraordinary circumstances for making specific provisions in impaired accounts after obtaining approval from the Board of Directors and with the prior permission of the RBI. These extraordinary circumstances would broadly fall under three categories: (i) general, wherein the bank is put unexpectedly to loss due to events such as civil unrest, collapse of currency in a country, natural calamities, pandemics etc; (ii) market, wherein there is a general meltdown in the markets affecting the entire financial system; and (iii) credit, wherein exceptional credit losses are encountered. Floating provisions for advances and investments would be held separately and cannot be reversed by credit to the profit and loss account. Until utilization of such provisions, they can be netted out from gross non-performing assets to arrive at disclosure of net non-performing assets. Alternatively, floating provisions can be treated as part of Tier II capital within the overall ceiling of 1.25% of total risk-weighted assets.

Analysis of Non-Performing Loans by Industry Sector

The following tables set forth, for the periods indicated, the Bank's NPAs, by borrowers' industry or economic activity and as a percentage of its loans in the respective industry or economic activities sector. These figures do not include credit substitutes.

Industry	**March 31, 2021**			**March 31, 2022**			**March 31, 2023**		
	Gross Loans	**NPA**	**Percentage of NPA in Industry (%)**	**Gross Loans**	**NPA**	**Percentage of NPA in Industry (%)**	**Gross Loans**	**NPA**	**Percentage of NPA in Industry (%)**
	(₹ crores, except percentages)								
Basic Metal and Metal Products	12,255.36	3,598.2	29.36	12,189.84	1,686.48	13.84	13,651.43	617.13	4.52
Coal and Mining	2,061.44	63.11	3.06	2,830.58	60.67	2.14	4,668.89	76.64	1.64
All Engineering	9,092.79	982.90	10.81	9,834.21	943.94	9.60	10,613.72	653.92	6.16
Textiles	6,984.79	1,358.74	19.45	7,860.34	1,590.95	20.24	8,348.73	1,209.65	14.49
Infrastructure	67,369.27	6,101.48	9.06	66,439.35	4,246.41	6.39	63,986.72	2,507.01	3.92
Of which power and distribution companies	5,098.89	2,125.59	41.69	6,783.31	1,107.37	16.32	9,276.68	624.66	6.73
Construction & Contractors	16,300.60	1,699.41	10.43	18,454.95	1,907.75	10.34	18,917.99	1,649.25	8.72
Other Industries (Including other sectors)	152,188.56	22,525.92	14.80	167,042.85	23,670.68	14.17	185,721.65	20,841.27	11.22
Total	**271,352.70**	**38,455.35**	**14.17**	**291,435.42**	**35,214.25**	**12.08**	**315,185.82**	**28,179.53**	**8.94**

Name of the Industry	As of September 30,					
	2022			2023		
	Gross Loans	NPA	Percentage of NPA in Industry (%)	Gross Loans	NPA	Percentage of NPA in Industry (%)
	(₹ crores, except percentages)					
Basic Metal and Metal Products	12,991.44	1,106.23	8.52	13,310.14	594.92	4.47
Coal and Mining	3,361.41	37.37	1.11	3,638.16	37.66	1.04
All Engineering	10,431.82	684.56	6.56	11,607.71	701.89	6.05
Textiles	8,178.40	1,378.07	16.85	8,510.74	694.83	8.16
Infrastructure	64,929.64	3,313.13	5.10	64,005.37	2,011.31	3.14
Of which power and distribution companies	7,101.87	759.30	10.69	9,410.85	625.52	6.65
Construction & Contractors	18,730.87	1,687.02	9.01	18,893.53	452.04	2.39
Other Industries (Including other sectors)	166,247.01	22,993.15	13.83	190,393.25	19,369.36	10.17
Total	**291,972.47**	**31,958.83**	**10.95**	**319,769.76**	**24,487.53**	**7.66**

Business segment analysis of the Bank's domestic NPA portfolio as of September 30, 2023:

Business Segment	As of September 30, 2023
(₹ crores)	
Corporate	2,918.15
MSME	9,691.27
Retail	2,645.36
Agriculture	9,073.28
Total	24,328.06

Top Five Non-Performing Industries/Sectors

The following table sets forth information regarding the Bank's five largest NPAs, classified by industry sector, as well as the value of the collateral securing the loan, as of September 30, 2023. However, the net realizable value of such collateral may be substantially less.

Industry	Name of Borrower	Type Of Banking Arrangement	Gross Principal Outstanding	Provisions	Principal Outstanding Net Of Provisions for Credit	Security	Currently servicing all interest payments
			(₹ crores)				
Engineering	Gupta Power Infrastructure Limited	Consortium	312.15	312.15	-	280.10	-
Power	R K M Powergen Private Limited	Consortium	267.77	267.77	-	440.03	-
Power	I L F S TamilNadu Power Company Limited	Consortium	264.93	264.93	-	59.49	-

Industry	Name of Borrower	Type Of Banking Arrangement	Gross Principal Outstanding	Provisions	Principal Outstanding Net Of Provisions for Credit	Security	Currently servicing all interest payments
			(₹ crores)				
Infrastructure	Atal Nagar Vikas Pradhikaran	MBA	200.50	200.50	-	305.70	-
Construction	M/S BGR Energy Systems Limited	Consortium	185.86	74.34	111.52	202.18	-

Note: Provisions also include amount held for interest realizable.

Restructuring of Debts

The Bank's NPAs are restructured on a case-by-case basis after it is determined that restructuring is the preferred mode of maximizing realization of the loan. These loans continue to be on a non-accrual basis and are reclassified as performing loans only after sustained performance under the loan's renegotiated terms for a period of at least one year.

Management of Stressed Assets

An integrated approach to review and manage stressed assets including rehabilitation and restructuring has been put in place. The primary intent in the approach is to ensure that a Special Mentioned Account ("**SMA**") (account showing sign of trouble) does not slip into an NPA. Identification, determination of the cause of the problem and initiation of remedial measures on a proactive basis are the hallmarks of this approach.

A separate vertical, stressed assets management vertical has been established in order to review the stressed assets on an ongoing basis. The appropriate reviewing authority would give necessary directions on the recommended action plan. Based on a detailed viability study, if the unit is found viable, it is put on a rehabilitation package.

Borrowal accounts may also be referred to the NCLT on a selective basis for resolution.

NPA Management

The Bank is committed to efficiently managing and reducing its NPAs and has implemented the following measures to manage and reduce its NPA ratio:

Slippage Management

Our Standard Assets Monitoring Committee ("**SAMC**") at the corporate office meets on a monthly basis to monitor/ review the zones/ branches for early recovery of dues in respect of individual SMA accounts with limits of ₹50 crores and above. General Managers of functional credit departments and deputy and assistance general managers participate in the meeting.

A prior intimation is made to the borrower notifying them about the status of their account, i.e. due date, overdue status and SMA status. Under the revised RBI guidelines, all SMA accounts (SMA 0, SMA 1 and SMA 2) are followed up on with weekly reporting to Central Repository of Information on Large Credits ("**CRILC**") for accounts in default with exposure of ₹ 50 crores and above.

Our credit monitoring department within the corporate office monitors the branches/ zonal offices daily for recovery and regulariation of accounts besides ensuring data integrity in the CBS system. We also engage our call centers in the recovery process to follow-up on the status of home loans, mortgage loans and vehicle loans. We regularly coordinate with our branches for individual SMA accounts for initiating recovery procedures. We also have Zonal Standard Assets Monitoring Committees at our Zonal Offices that meet on a monthly basis to monitor the branches under their jurisdiction for early recovery of overdue sums in respect of all SMA accounts.

NPA Management

Our NPA management consists of the following aspects:

(a) Initiating recovery action on slippage of accounts, including taking non-legal recovery actions or initiating legal action.

(b) Conducting recovery meetings at regional and zonal levels to arrive at settlements which are both cost effective and mutually beneficial. Recovery meetings involve inviting defaulting borrowers to the Bank in order to negotiate and reach mutually agreeable settlement proposals.

(c) Compromise settlements through Lok Adalats ("people's courts"), established by the Government to facilitate the efficient settlement of disputes by way of mutual agreement. While any claim can be brought to a Lok Adalat, given that the Lok Adalats do not charge any fees and their decisions are binding on the parties, it is often quicker to resolve disputes through a Lok Adalat than through regular courts. In light of this, the Bank strives to recover NPAs through the Lok Adalats as much as practicable.

(d) Reporting of Wilful Defaulters with balance ₹ 25.00 lakhs and above both suit filed accounts and non-suit filed accounts to Credit Information Companies. The Credit Information companies disseminates this information amongst banks for their use. While the Bank does not rehabilitate or restructure NPAs of a willful defaulter, it enters into an acceptable mutual settlement with such a borrower.

(e) Close monitoring of "compromise settled accounts" for recovery in accordance with the terms of settlement. By maintaining open dialogue with borrowers of the compromise settled accounts, the Bank seeks to recover its NPAs within specified periods and with minimum costs.

(f) Aggressively pursuing and achieving substantial progress in respect of measures allowed to be implemented by the Bank under the SARFAESI Act.

(g) Monitoring the recovery of overdue amounts under any account by law officers subject to a court ruling. The role of such law officers is to liaise with the advocate, branch and debtor and the Debt Recovery Tribunal during the relevant debt recovery action, and to take timely action.

(h) Invoking the provision of Insolvency and Bankruptcy Code, sale of assets to ARCs and restructuring of the assets are some of the other NPA management tools applied based on consideration including security available and viability of the unit upon restructuring.

(i) Strict adherence to rehabilitation packages under the CDR (for both normal and SME accounts) and monitoring the accounts closely for early recovery.

See *"Risk Factors - Risks Relating to our Business — An increase in our portfolio of NPAs or provisioning requirements mandated by the RBI could adversely affect our business, financial condition and results of operations."* on page 49.

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available documents from various sources and has not been prepared or independently verified by our Bank, the BRLMs or any of their affiliates or advisers. Data in this section may have been re-classified by us for the purposes of presentation. The accuracy and completeness of the industry sources and publications referred to by us, and the underlying assumptions on which such sources and publications are based, are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Further, statements in this section that are not statements of historical fact constitute "forward- looking statements". Such forward-looking statements are subject to various risks, assumptions and uncertainties and certain factors could cause actual results to materially differ. Accordingly, prospective investors should not base their investment decision, or otherwise place undue reliance, on this information.

Global Macroeconomic Outlook

The global economy continues to recover slowly from the blows of the pandemic, Russia's invasion of Ukraine, and the cost of living crisis. In retrospect, the resilience has been remarkable. Despite the disruption in energy and food markets caused by the war, and the unprecedented tightening of global monetary conditions to combat decades high inflation, the global economy has slowed, but not stalled. Global activity bottomed out at the end of last year while inflation—both headline and underlying (core)—is gradually being brought under control. *(Source: World Economic Outlook Update: Navigating Global Divergences, October 2023)*

Headline inflation continues to decelerate, from 9.2 percent in 2022, on a year-over-year basis, to 5.9 percent this year and 4.8 percent in 2024. As a result, projections are increasingly consistent with a "soft landing" scenario, bringing inflation down without a major downturn in activity. But important divergences are appearing. The slowdown is more pronounced in advanced economies than in emerging market and developing ones. *(Source: World Economic Outlook Update: Navigating Global Divergences, October 2023)*

Global growth is projected to fall from an estimated 3.5% in 2022 to 3.0% in calendar year 2023 and 2.9% in calendar year 2024. While the forecast for calendar year 2023 is modestly higher, it remains weak by historical standards. *(Source: World Economic Outlook Update: Global Divergences, October 2023)*

Indian Economy

The Indian economy's GDP at current prices for Fiscal 2023 is estimated at ₹ 272.41 trillion, as against ₹ 234.71 trillion for Fiscal 2022, showing a growth of 16.1%. (*Source: Ministry of Statistics and Programme Implementation, Press note May 31, 2023)* India has become the fifth largest economy in the world, surpassing the U.K. and France. *(Source: World Bank GDP Ranking 2022)*

Amidst strong global headwinds, the Indian economy is expected to have recorded a growth of 7.0% in real Gross Domestic Product ("**GDP**") in Fiscal 2023. A sustained recovery in discretionary spending, particularly in contact intensive services, restoration of consumer confidence, high festival season spending after two consecutive years of COVID-19 induced isolation and the government's thrust on capex provided impetus to the growth momentum. In the second half of the year, however, the pace of year-on-year growth moderated because of unfavourable base effects, weakening private consumption demand caused by high inflation, slowdown in export growth and sustained input cost pressures. *(Source: RBI, Annual Report 2022-2023)*

Like many other economies, India also experienced a surge in inflation during Fiscal 2023, primarily reflecting the impact of overlapping global supply shocks and pass-through of higher input costs. The sharp increase in global prices of crude oil, food, fertilisers and metals, along with renewed supply disruptions in the aftermath of the war, exerted broad-based price pressures during the first half of the year. As a result, inflation reached a peak of 7.8% in April 2022. Following gradual normalisation of global supply chains, softening global commodity prices, targeted supply management measures by the government and successive hikes in the policy repo rate by the Reserve Bank of India ("**RBI**"), inflation moderated in the second half of the year. Overall, headline inflation increased to 6.7% in Fiscal 2023 from 5.5% in Fiscal 2022. *(Source: RBI, Annual Report 2022-2023)*

India’s real GDP growth forecast for Fiscal 2023-2024 is 6.4%; it is expected to grow by 6.3% in Fiscal 2024-2025. *(Source: RBI, Survey of Professional Forecasters on Macroeconomic Indicators - Results of the 85th Round, November 2023)* The per capita net national income (at Fiscal 2011-2012 prices) during Fiscal 2023 is estimated to attain a level of ₹ 98,374 as compared to ₹92,583 in Fiscal 2022, giving a growth of 6.3% during Fiscal 2022, as against 7.6% in the previous year. The per capita net national income at current prices during Fiscal 2023 is estimated to be ₹ 172,276 showing a growth of 16.0%, as compared to ₹ 148,524 during Fiscal 2022. *(Source: Press Note on First Advance Estimates of National Income 2022-23, National Statistical Office, Ministry of Statistics & Programme Implementation, Government of India dated May 31, 2023)* The Quick Estimates of Index of Industrial Production with base Fiscal 2011-2012 for the month of September 2023 was at 141.6 as compared to 145.1 and 142.5 for July 2023 and August 2023, respectively. *(Source: Quick Estimates of Index of Industrial Production and Use-Based Index for the Month of September, 2023, National Statistical Office, Ministry of Statistics & Programme Implementation, Government of India dated November 10, 2023)* Fiscal deficit was ₹1,584,521 crore (actuals) in Fiscal 2022, and based on revised estimates was ₹1,755,319 crore in Fiscal 2023. Based on budget estimates, fiscal deficit is expected to be ₹1,786,816 crore in Fiscal 2024. Disinvestment receipts amounted to ₹136,270 million and ₹352,930 million (actuals) in Fiscal 2022 and Fiscal 2023 respectively. Based on budget estimates, disinvestment receipts are expected to be ₹510,000 million in Fiscal 2024. *(Source: Union Budget 2023-24, Budget at a Glance, https://dipam.gov.in/past-disinvestment)*

CPI headline inflation fell by about two percentage points of the MPC to 4.9 per cent in October 2023 on sharp correction in prices of certain vegetables, deflation in fuel and a broad-based moderation in core inflation (CPI inflation excluding food and fuel). CPI inflation is projected at 5.4 per cent for Fiscal 2024, with third quarter of Fiscal 2024 at 5.6 per cent; and fourth quarter of Fiscal 2024 at 5.2 per cent. Assuming a normal monsoon next year, CPI inflation for first quarter of Fiscal 2025 is projected at 5.2 per cent; second quarter of Fiscal 2025 at 4.0 per cent; and third quarter of Fiscal 2025 at 4.7 per cent. *(Source: Reserve Bank of India, Resolution of the Monetary Policy Committee (MPC) December 6-8, 2023)*

In the Monetary Policy Committee Meeting held in December 2023 the committee, basis of an assessment of the current and evolving macroeconomic situation, decided to keep the policy repo rate under the liquidity adjustment facility (“**LAF**”) unchanged at 6.50%. Consequently, the standing deposit facility (“**SDF**”) rate remained unchanged at 6.25% and the marginal standing facility (“**MSF**”) rate and the bank rate at 6.75%. These decisions were made with the objective of achieving the medium-term target for CPI inflation of 4% within a band of +/- 2%, while supporting growth. *(Source: Reserve Bank of India, Resolution of the Monetary Policy Committee (MPC) December 6-8, 2023)*

Growth Outlook

Domestic economic activity is exhibiting resilience. Real gross domestic product (GDP) grew year-on-year (y-o-y) by 7.6 per cent in second quarter of Fiscal 2024 underpinned by robust investment and government consumption, which cushioned the drag from net external demand. On the supply side, gross value added (GVA) rose by 7.4 per cent in second quarter of Fiscal 2024, driven by buoyant manufacturing and construction activities. (*Reserve Bank of India, Resolution of the Monetary Policy Committee (MPC) December 6-8, 2023)*

Continued strengthening of manufacturing activity, buoyancy in construction, and gradual recovery in the rural sector are expected to brighten the prospects of household consumption. Healthy balance sheets of banks and corporates, supply chain normalisation, improving business optimism, and rise in public and private capex should bolster investment going forward. With improvement in exports, the drag from external demand is expected to moderate. Headwinds from the geopolitical turmoil, volatility in international financial markets and geoeconomic fragmentation pose risks to the outlook. Taking all these factors into consideration, real GDP growth for Fiscal 2024 is projected at 7.0 per cent with third quarter of Fiscal 2025 at 6.5 per cent; and fourth quarter of Fiscal 2025 at 6.0 per cent. Real GDP growth for first quarter of Fiscal 2025is projected at 6.7 per cent; second quarter of Fiscal 2025 at 6.5 per cent; and third quarter of Fiscal 2025 at 6.4 per cent (*Source: Reserve Bank of India, Resolution of the Monetary Policy Committee (MPC) December 6-8, 2023*)

Indian Banking Authority

The RBI was established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. The central office of the RBI was initially established in Kolkata but was permanently moved to Mumbai in 1937. The central office is where the Governor sits and where policies are formulated. Though originally privately owned, since nationalization in 1949, the RBI has been fully owned by the GoI. The RBI performs a supervisory function under the guidance of the Board for Financial Supervision. The Board was constituted in

November 1994 as a committee of the Central Board of Directors of the RBI. *(Source: RBI, About Us https://www.rbi.org.in/Scripts/AboutusDisplay.aspx#MF)*

Impact of Liberalization on the Indian Financial Sector

Until 1991, the financial sector in India was heavily controlled and commercial banks and long-term lending institutions had mutually exclusive roles and objectives, operating in a largely stable environment with little to no competition. Long-term lending institutions were focused on achieving the GoI's various socioeconomic objectives, including balanced industrial growth and employment creation, especially in areas requiring development. Long-term lending institutions were extended access to long-term funds at subsidized rates through loans and equity from the GoI, funds guaranteed by the GoI originating from commercial banks in India and foreign currency resources from multilateral and bilateral agencies. The focus of commercial banks was primarily to mobilise household savings through demand and time deposits and to use these deposits to meet the short-term financial needs of borrowers in industry, trade and agriculture. In addition, commercial banks provided a range of banking services to individuals and business entities. *(Source: RBI Circular on Approach to Universal Banking dated April 28, 2001 http://www.rbi.org.in/scripts/NotificationUser.aspx?Mode=0&Id=368#anx1)*

However, since 1991, there have been comprehensive changes in the Indian financial system. Various financial sector reforms have transformed the operating environment of banks and long-term lending institutions. In particular, the deregulation of interest rates, the emergence of a liberalised domestic capital market and the entry of new private sector banks, along with the broadening of long-term lending institutions' product portfolios, have progressively intensified the competition between banks and long-term lending institutions. The RBI has permitted the transformation of long-term lending institutions into banks subject to compliance with the prudential standards applicable to banks. *(Source: RBI Circular on Approach to Universal Banking dated April 28, 2001 http://www.rbi.org.in/scripts/NotificationUser.aspx?Mode=0&Id=368#anx1)*

Introduction to the Indian Financial Sector

The RBI, the central banking and monetary authority of India, is the central regulatory and supervisory authority for the Indian financial system. A variety of financial intermediaries in the public and private sectors participate in India's financial sector, including (i) commercial banks, comprising: private sector banks, regional rural banks ("**RRBs**"), public sector banks ("**PSBs**"), foreign banks, co-operative banks, small finance banks and payment banks; (ii) long-term lending institutions; (iii) non-banking financial companies ("**NBFCs**"), including housing finance companies ("**HFCs**"); (iv) other specialized financial institutions and state-level financial institutions; (v) insurance companies; (vi) micro-finance companies; and (vii) mutual funds.

Set forth below are the details of financial intermediaries in the public and private sectors participating in India's financial sector:

Scheduled Commercial Banks ("SCBs")

Scheduled commercial banks in India have traditionally focused on meeting the short-term financial needs of industry, trade and agriculture. In recent years, they have also focused on increasing long-term financing to sectors like infrastructure. Scheduled commercial banks are banks that are listed in the second schedule to the RBI Act and are further categorized as public sector banks, private sector banks, small finance banks, payments banks, regional rural banks and foreign banks. *(Source: RBI available at https://m.rbi.org.in/scripts/bs_viewcontent.aspx?Id=3657, accessed in December 2023)*

Public Sector Banks ("PSBs")

Public sector banks are SCBs with significant government shareholding. PSBs constitute the largest category of banks in the Indian banking system. These include the 12 nationalised banks, as of November 2023 *(Source: RBI, List of SCBs, Accessed in December 2023)* In Fiscal 2020, the GoI announced several additional amalgamations of public banks: the amalgamation of Canara Bank with Syndicate Bank; the amalgamation of United Bank of India and Oriental Bank of Commerce with Punjab National Bank; the amalgamation of Andhra Bank and Corporation Bank with Union Bank of India; and the amalgamation of Allahabad Bank with our Bank, all of which were effective from April 1, 2020. Following these amalgamations, the number of PSBs is 12, down from 27 as at March 31, 2017.

Private Sector Banks

Most large banks in India were nationalised in 1969, resulting in PSBs making up the largest portion of Indian banking. The GoI's focus on PSBs was maintained throughout the 1970s and 1980s. In addition, existing private sector banks that showed signs of an eventual default were merged with state-owned banks. In July 1993, as part of the banking reform process and as a measure to induce competition in the banking sector, the RBI permitted entry of the private sector into the banking system. This resulted in the introduction of private sector banks. *(Source: Banking Law and Practice by Mishra Sukhvinder, Chapter 5: Commercial Banks, p. 176) As of December 2023, there were a total of 21 private banks. (Source: RBI, List of SCBs, accessed in December 2023)*

Foreign Banks

According to the RBI, there were 45 foreign banks operating in India as of December 2023. *(Source: RBI, List of SCBs, accessed in December 2023)* Foreign banks may operate in India by establishing wholly owned subsidiaries, which are allowed to raise rupee resources through the issue of non-equity capital instruments, as allowed to domestic banks. In addition, wholly owned subsidiaries of foreign banks may be allowed to open branches in Tier I to Tier VI centres except at specified locations considered sensitive for national security reasons. Establishment of a wholly owned subsidiary would require approval of the RBI which would be subject to various factors including economic and political relations with the parent bank's country of incorporation and reciprocity with the parent bank's home country. The regulatory framework for a subsidiary of a foreign bank is substantially similar to the regulatory framework applicable to domestic banks, including with respect to management, directed lending, investments and branch expansion. Wholly owned subsidiaries of foreign banks may, after further review, be permitted to enter into merger and acquisition transactions with Indian private sector banks, subject to adherence to the foreign ownership limit of 49% under the automatic route and 74% under the government approval route that is currently applicable to Indian private sector banks. *(Source: RBI - Scheme for Setting up of Wholly Owned Subsidiaries (WOS) by foreign banks in India and Consolidated FDI Policy notified by the DPIIT under DPIIT File Number 5(2)/2020- FDI Policy dated the October 15, 2020, effective from October 15, 2020).*

Co-operative Banks

The RBI continues to play a key role in strengthening the co-operative banking sector by fortifying the regulatory and supervisory framework. The primary responsibility of the Department of Co-operative Bank Supervision ("**DCBS**") is supervising urban co-operative banks ("**UCBs**") and ensuring the development of a safe and well-managed co-operative banking sector. The Banking Regulation (Amendment) and Miscellaneous Provisions Act, 2004, which came into effect on September 24, 2004, specifies that all multistate co-operative banks are under the supervision and regulation of the RBI. Accordingly, the RBI is currently responsible for the supervision and regulation of urban co-operative societies, state co-operative banks and district central co-operative banks. The wide network of co-operative banks, both rural and urban, supplements the commercial banking network for deepening financial intermediation by bringing a large number of depositors/borrowers under the formal banking network.

According to the RBI, there are 34 state co-operative banks, 49 scheduled urban co-operative banks and 1434 non-scheduled urban co-operative banks. *(Source: RBI. List of Co-operative Banks, accessed in December 2023)*

Non-Banking Financial Companies

The primary activities of the non-banking financial companies are providing consumer credit, including automobile finance, home finance and consumer durable products finance, factoring, microfinance, wholesale finance products such as bill discounting for small and medium companies and infrastructure finance, and fee-based services such as investment banking and underwriting. All non-banking financial companies are required to register with the RBI.

Depending upon the line of activity, NBFCs are categorised into different types such as Asset Finance Company, Loan Company, Infrastructure Finance Company, securitisation/asset reconstruction companies, Investment Company, (Systemically Important) Core Investment Company, Infrastructure Debt Fund – NBFC, NBFC – Micro Finance Institution, NBFC – Factors, Mortgage Guarantee Companies, NBFC – Non-Operative Financial Holding Company. *(Source: RBI, Discussion Paper on Wholesale & Long-Term Finance Banks, April 2017)*
There were 9,356 NBFCs registered with the RBI as at September 30, 2023, of which 26 were deposit accepting **("NBFCs-D")** and 507 were systemically important non-deposit accepting NBFCs **("NBFCs-ND-SI")**. *(Source: RBI available at https://rbi.org.in/Scripts/BS_NBFCList.aspx, accessed in December 2023)*

As per the framework for scale-based regulation for NBFCs by RBI released on 22 October 2021, regulatory structure for NBFCs shall comprise of four layers based on their size, activity and perceived riskiness. NBFCs in the lowest layer shall be known as NBFC - Base Layer (NBFC-BL). NBFCs in middle layer and upper layer shall be known as NBFC - Middle Layer (NBFC-ML) and NBFC - Upper Layer (NBFC-UL) respectively. The Top Layer is ideally expected to be empty and will be known as NBFC - Top Layer (NBFC-TL). *(Source: RBI available at https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0)*

Housing Finance Companies

HFCs are specialised institutions which extend housing credit, along with SCBs. Effective August 9, 2019 HFCs are being regulated as a category of NBFCs, after the transfer of regulation of HFCs to the Reserve Bank by amendment of the NHB Act, 1987.

Furthermore, with a view of harmonising the regulations between HFCs and NBFCs in a phased manner, HFCs have undergone several legislative/regulatory changes. As of December 2023 there were 95 HFCs, of which only 12 were deposit taking entities. *(Source: NHB available at https://nhb.org.in/list-of-companies/, accessed in December 2023)*

Microfinance Institutions

Microfinance institutions form a distinct sub-group of non-banking financial companies. They focus on providing access to small-scale financial services, especially to the poor, and play an important role in delivering credit to people at the bottom of the economic pyramid. Microfinance institutions differ from other financial service providers as they do not depend on grants or subsidies to provide unsecured loans to borrowers with low incomes and no access to the mainstream banking system. They encompass a host of financial institutions engaged in advancing loans to low-income groups. The essential features of microfinance loans are that they are of small amounts, have short tenures, are extended without collateral, and require a frequency of loan repayments that is greater than that for traditional commercial loans. These loans are generally taken for income-generating activities but are also provided for consumption, housing and other purposes. *(Source: RBI Bulletin, Microfinance: Reaching out to the Bottom of the Pyramid dated September 11, 2020)*

Regional Rural Banks

Regional rural banks were formed under the Regional Rural Bank Act, 1976 with a view towards developing the rural economy by providing, for the purpose of developing agriculture, trade, commerce, industry and other productive activities in the rural areas, credit and other facilities, particularly to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs, and for matters connected therewith and incidental thereto. In Fiscal 2021-2022, ₹ 10,890 crore was allocated for the recapitalisation of RRBs to help in greater adoption of technology, accompanied by operational and governance reforms. .

As of March 2023, there were 43 RRBs sponsored by 12 SCBs, with 21,995 branches, and operations extending to 30.5 crore deposit accounts and 2.9 crore loan accounts *(Source: https://www.nabard.org/auth/writereaddata/WhatsNew/0109235107final-key-statistics-of-rrbs-2022-23.pdf)*

Long-Term Lending Institutions

Long-term lending institutions were established to provide medium-term and long-term financial assistance to various industries for setting up new projects and expanding and modernising existing facilities. These institutions provided fund-based and non-fund-based assistance to industries in the form of loans, underwriting and direct subscription to shares, debentures and guarantees.

Long-term lending institutions were expected to play a critical role in Indian industrial growth and, accordingly, had access to concessional government funding. However, in recent years, the operating environment of long-term lending institutions has changed substantially. Although the initial role of these institutions was largely limited to providing a channel for government funding to industries, the reform process required such institutions to expand the scope of their business activities, including into fee-based activities like investment banking and advisory services and into short-term lending activities including corporate finance and working capital loans.
Pursuant to the recommendations of the Narasimham Committee II and the Khan Working Group in 1998, a working group was created in 1999 to harmonise the role and operations of long-term lending institutions and banks. The RBI, in its mid-term review of monetary and credit policy for Fiscal 2000, announced that long-term

lending institutions would have the option of transforming themselves into banks subject to compliance with the prudential norms applicable to banks. In April 2001, the RBI issued guidelines on several operational and regulatory issues which were required to be addressed in evolving a path for conversion of a long-term lending institution into a universal bank.

Small Finance Banks

The objective of small finance banks is to further financial inclusion by providing savings vehicles and supplying credit to small business units, small and marginal farmers, micro and small industries and other unorganized sector entities through high technology-low cost operations. The RBI granted in-principle approvals to ten small finance banks in September 2015 pursuant to which all ten small finance banks have started operations. (Source: Draft Guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector and RBI - RBI grants "In-principle" Approval to 10 Applicants for Small Finance Banks. Available at https://www.rbi.org.in).

In December 2019, the RBI released guidelines for 'on tap' licensing of small finance banks *(Source: Guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector. Available at https://www.rbi.org.in)*. As of December 2023, there are 12 SFBs operational in India. *(Source: RBI. List of Small Finance Banks, December 2023. Available at https://www.rbi.org.in)*

On October 30, 2023, the Board of Directors of AU Small Finance Bank Ltd ("**AU SFB**") and Fincare Small Finance Bank Ltd ("**Fincare SFB**") at their respective meetings approved an all stock merger of AU SFB and Fincare SFB. *(Source: https://www.aubank.in/press-releases_21-au-small-finance-bank-and-fincare-small-finance-bank-announce_merger_october30_23.pdf)* The merger is subject to approval of shareholders of both companies as well as RBI and Competition Commission of India.

Payment Banks

The RBI has liberalised the licensing regime for banks in India and intends to issue licences on an ongoing basis, subject to meeting the RBI's criteria. The RBI is supportive of creating more specialised banks and granting differentiated banking licences, e.g., for payment banks and small finance banks. The RBI also plans to create wholesale and long-term finance banks in the near future. In November 2014, the RBI released guidelines for licensing payment banks and for licensing of small finance banks in the private sector. On August 19, 2015 the RBI granted in-principle approval to 11 applicants to set up payment banks. (*Source: RBI Press Release dated August 19, 2015. Available at https://www.rbi.org.in)*. As of December 2023, there are six (6) payments banks in India *(Source: RBI. List of Payment Banks, accessed in December 2023)*

Other Financial Institutions

Specialised Financial Institutions

In addition to the long-term lending institutions, there are various specialised financial institutions which cater to the specific needs of different sectors. These include the National Bank for Agriculture and Rural Development ("**NABARD**"), the Export-Import Bank of India ("**EXIM Bank**"), the Small Industries Development Bank of India ("**SIDBI**"), Risk Capital and Technology Finance Corporation Limited, Tourism Finance Corporation of India Limited, the NHB, Power Finance Corporation Limited, Infrastructure Development Finance Corporation Limited, the Industrial Investment Bank of India, the North Eastern Development Finance Corporation and the India Infrastructure Finance Company. *(Source: Report on Trend and Progress of Banking in India, 2003-04). To support the long-term infrastructure financing in India, the Government set-up the National Bank for Financing Infrastructure and Development (NaBFID) in 2021. (Source: RBI Press Release dated March 9, 2022. Available at https://www.rbi.org.in)*

State Financial Institutions

State financial corporations ("**SFCs**") operate at the state level and form an integral part of the institutional financing system. State financial corporations were set up to finance and promote small and medium-sized enterprises. State financial institutions are expected to achieve balanced regional socio-economic growth by generating employment opportunities and widening the ownership base of industries. At the state level, there are also state industrial development corporations, which primarily finance medium-sized and large enterprises. *(Source: Report on Trend and Progress of Banking in India, 2003-04)*

Insurance Companies

The General Insurance Corporation of India, a re-insurance company, the Life Insurance Corporation of India and other public sector general insurance companies provide long-term financial assistance to the industrial sector. The insurance sector in India is regulated by the Insurance Regulatory Development Authority of India ("**IRDAI**"). In December 1999, the Indian Parliament passed the IRDA Act, which amended the Insurance Act, 1938 and opened up the Indian insurance sector for foreign and private investors. The Insurance Act, 1938 was further amended by the Insurance Law (Amendment) Act, 2015 which raised permitted foreign equity participation in new insurance companies from 26.00% to 49.00%. Insurance companies are required to be Indian-owned and controlled. Control includes the right to appoint a majority of the Directors or control management or policy decisions by virtue of shareholding, management rights, shareholders' agreements or voting agreements. Therefore, both ownership and control are required to remain in Indian hands. Further, the amendment permitted insurers to raise capital through instruments other than equity. (*Source: DPIIT, Consolidated FDI Policy (Effective from October 15, 2020))*

In its monetary and credit policy for Fiscal 2001, the RBI issued guidelines governing the entry of banks and financial institutions into the insurance business. The guidelines permit banks and financial institutions to enter the business of insurance underwriting through joint ventures, provided they meet stipulated criteria relating to their net worth, capital adequacy ratios, profitability track record, level of non-performing loans and the performance of their existing subsidiary companies. *(Source: RBI Monetary and Credit Policy 2000- 2001)*

As announced in the Union Budget for Fiscal 2021-2022, the limit of foreign investment in Indian insurance companies has been raised from the existing 49% to 74%. This brings the insurance sector at par with the private banking sector. The act will enable global insurance companies to take more strategic and long-term view on the Insurance sector in India, thereby bringing in greater inflow of long-term capital, global technology, processes, and international best practices. (*Source: Monthly Economic Review, March 2021, Economic Division, Department of Economic Affairs, Government of India*)

Mutual Funds

The mutual funds industry was opened up to the private sector in 1993. The industry is regulated by the Securities and Exchange Board of India ("**SEBI**") (Mutual Funds) Regulations, 1996.

In June 2009, the SEBI removed the entry load, up-front charges deducted by mutual funds for all mutual fund schemes and required that the up-front commission to distributors should be paid by the investor to the distributor directly. In November 2009, to enhance the reach and marketability of mutual fund schemes, the SEBI permitted the use of stock exchange terminals to facilitate transactions in mutual fund schemes, as a result of which mutual fund units can now be traded on recognized stock exchanges. In February 2010, the SEBI introduced guidelines for the valuation of money market and debt securities with a view to ensure that the value of money market and debt securities in the portfolio of mutual fund schemes reflect the current market value. The valuation guidelines were effective from August 1, 2010.

In the month ended November 2023, the aggregate average assets under management for mutual funds (excluding fund of funds - domestic but including fund of funds - overseas) was ₹ 4,874,812.59 crore, and aggregate average assets under management for mutual funds (domestic fund of funds) was ₹ 70,221.78 crore. The total number of schemes as of November 2023 was 1,472. (*Source: Association of Mutual Funds in India, Monthly Report for the Month of November 2023)*

On April 27, 2020, the RBI opened a special liquidity facility for mutual funds with a view to ease liquidity pressures on mutual funds. Under such a facility, the RBI would conduct repo operations of 90 days tenor at the fixed repo rate in an on-tap and open-ended manner, starting April 27, 2020 and up to May 11, 2020 or up to the full usage of the allocated amount, whichever is earlier. Funds availed under this facility are to be used by banks exclusively for meeting mutual funds' liquidity requirements by extending loans and outright purchase of, and/ or repos against, the collateral of investment grade corporate bonds, commercial papers, debentures and certificates of Deposit held by mutual funds. Liquidity support availed under this facility will be classified as HTM even in excess of 25.0% of the total investment permitted to be included in the HTM portfolio. Exposures under this facility will also not be considered under the large exposure framework or for computation of adjusted non-food bank credit for determining priority sector targets/ sub-targets, and they will be exempt from banks' capital market exposure limits. *(Source: RBI, Press Release dated April 27, 2020)*

Key Banking Industry Trends in India

The Indian banking sector has expanded its balance sheet, business and profitability. Even as gross nonperforming assets ("**GNPA**") and net non-performing assets ("**NNPA**") as ratios to gross loans and advances, of scheduled commercial banks ("**SCBs**") declined to a decadal low, the system-level capital to risk weighted assets ratio ("**CRAR**") reached a new high. The net interest margin ("**NIM**") increased further and post-tax profits recorded growth as credit expanded alongside adequate provisioning and strengthening of capital buffers. Banks' exposure to large borrowers reflected, in general, reduced concentration in gross loans, improvement in asset quality and containment of potential slippages. Within the large borrowers' cohort, however, big corporates increased their recourse to bank financing – the share of top 100 borrowers in total credit has been rising since September 2021. (*Source: RBI - Financial Stability Report Issue No. 27, June 2023*)

Performance – Assets and Earnings

The SCBs credit growth (y-o-y), which started picking up during Fiscal 2022, sustained its momentum and gathered pace to touch 20.6% as on December 08, 2023. The increase has been broad-based across geography, economic sectors, population groups, organisations, type of accounts and bank groups. Aggregate deposits recorded some moderation, growing (y-o-y) at 13.6% (as on December 08, 2023). *(Source: RBI – Bulletin Weekly Statistical Supplement, December 2023)* Current account and savings account ("**CASA**") growth moderated (y-o-y) at 5.4% whereas term deposits attracted accretions in response to rising interest rates. Private Sector Banks ('**PVBs**") continued to record much higher credit growth (17.3%, y-o-y) than PSBs (14.7%, y-o-y). The share of services and personal loans (59.3% of total) in total advances inched up with credit growth outpacing growth in agriculture and industry advances. Within personal loans segment, credit growth became broad based with credit card receivables and vehicle/ auto loans growing over 20%.

SCBs sustained the momentum in profitability as their NIM continued to grow. During 2022-2023, the NIM improved by 30 bps as transmission of monetary policy tightening to deposit rates lagged the pass through to lending rates. SCBs' profit after tax ("**PAT**") recorded a healthy growth of 38.4% (y-o-y) during Fiscal 2022-2023, led by strong increase in net interest income (NII) and lowering of provisions. PAT of PSBs grew at a faster rate than that of PVBs whose operating expenses increased by 29.4%.

Higher profitability was also reflected in further improvement in the return on equity (12.3% for all SCBs in Fiscal 2023) and the return on assets (1.1% for all SCBs in Fiscal 2023) ratios. In response to higher interest rates, the cost of funds increased by 30 bps at the system level during Fiscal 2022-2023. The increase in interest income improved the yield on assets (7.7% in Fiscal 2023). (*Source: RBI - Financial Stability Report Issue No. 27, June 2023*)

Asset Quality and Capital Adequacy

The asset quality of SCBs continued to improve and their GNPA ratio declined to 3.9% in March 2023 – a 10-year low. SCBs' NNPA ratio also improved to 1.0%, a level last observed in June 2011, indicative of active and deep provisioning. In fact, SCBs' provisioning coverage ratio ("**PCR**") improved to 74.0% in March 2023. The quarterly slippage ratio, measuring new accretions to NPAs as a share of standard advances at the beginning of the quarter, moderated further. The write-off to GNPA ratio, which had been declining consecutively through Fiscal 2020-2021 and Fiscal 2021-2022, increased in Fiscal 2022-2023 due to large write-offs by PVBs.
In second half of Fiscal 2023, the capital to risk-weighted assets ratio ("CRAR") of SCBs improved across bank groups. Their Tier I leverage ratio also increased during second half of Fiscal 2023 as they bolstered their capital base through capitalisation of reserves due to increased profits as well as by raising fresh capital. (*Source: RBI - Financial Stability Report Issue No. 27, June 2023*)

Sectoral Asset Quality

The improvement in SCBs' asset quality has been broad based, with a steady decline in the stressed advances ratio across all major sectors. While there has been an overall improvement in asset quality in respect of personal loans, impairments in the credit card receivables segment have risen marginally (March 2023 GNPA at 18.0%). Within the industrial sector, asset quality continued to improve across sub-sectors (*Source: RBI - Financial Stability Report Issue No. 27, June 2023*)

Credit Quality of Large Borrowers

The share of large borrowers in gross advances of SCBs declined successively over the past three years (51.1% in March 2020 to 46.4% March 2023) as retail loans grew faster than borrowings by corporates. The share of large borrowers in the GNPAs of SCBs also came down substantially (75.7% in March 2020 to 53.9% in March 2023). Asset quality in the large borrower portfolio saw significant improvement: the GNPA ratio declined from 12.2% in March 2020 to 4.5% in March 2023.

Although there has been an increase in Special mention account ("**SMA**")-19 loans during the March 2023 quarter the total stock of SMA category loans has fallen by 26.2% (q-o-q) in the same period. Improvement in the SMA-2 ratio in March 2023 across bank groups reflected the containment of potential slippages during the second half of Fiscal 2023.

In the large borrower accounts, the proportion of standard assets to total funded amount outstanding improved from 86.2% in March 2020 to 94.3% in March 2023 with corresponding declines in NPAs. The asset quality of top 100 borrowers improved, with their share in SCBs' GNPA declining from 6.8% as of March 2022 to 1.6% as of March 2023. *(Source: RBI - Financial Stability Report Issue No. 27, June 2023)*

Resilience – Macro Stress Tests

Source: RBI - Financial Stability Report Issue No. 27, June 2023

Macro-stress tests are performed to assess the resilience of SCBs' balance sheets to unforeseen shocks emanating from the macroeconomic environment. These tests attempt to assess capital ratios over a one-year horizon under a baseline and two adverse (medium and severe) scenarios.

Stress test results reveal that SCBs are well capitalised and capable of absorbing macroeconomic shocks even in the absence of any further capital infusion by stakeholders. Under the baseline scenario, the aggregate CRAR of 46 major banks is projected to slip from 17.0% in March 2023 to 16.1% by March 2024. It may go down to 13.3% under the severe stress scenario by March 2024, but it stays well above the minimum capital requirement, including capital conservation buffer ("**CCB**") requirements (11.5%).

The common equity Tier I ("**CET1**") capital ratio of the select 46 SCBs may decline from 13.7% in March 2023 to 13.1% by March 2024 under the baseline scenario. Even in a severely stressed macroeconomic environment, the aggregate CET1 capital ratio would deplete by 290 basis points only, which would not breach the minimum regulatory norms. Furthermore, all the banks would be able to meet the minimum regulatory CET1 capital ratio of 8.0% over the next one year under the severe stress scenario.

As per the stress test results, the GNPA ratio of all SCBs may improve to 3.6% by March 2024 under the baseline scenario. If, however, the macroeconomic environment worsens to a medium or severe stress scenario, the ratio may rise to 4.1% and 5.1%, respectively. At bank group level, the GNPA ratios of PSBs may swell from 5.2% in March 2023 to 6.1% in March 2024 under the severe stress scenario, whereas it may go up from 2.2% to 3.8% for PVBs and from 1.9% to 2.6% for Foreign Banks.

High inflation coupled with rise in borrowing costs adversely impacts finances of households and their loan repayment capacity, which can have implications for lending banks. Identifying different measures of risks using individual home loan data, it is found that a twin shock in the form of a simultaneous increase in inflation and lending rates can put even households with sustainable repayment capacity at risk and double the loans-at-risk ("**LaR**")

Shift towards a Digital and Cashless Economy

The GoI is taking steps to promote a cashless economy such as its flagship 'Digital India' program, which envisions transforming India into a digitally empowered society and knowledge economy. As part of promoting cashless transactions, various modes of digital payment are available, including debit cards, credit cards, mobile banking, point of sale, unified payment interface and forex cards. *(Source: RBI Annual Report - 2019-20)*

For instance, the volume of Real Time Gross Settlement ("**RTGS**"), immediate payment service ("**IMPS**"), National Electronic Funds Transfer ("**NEFT**") and United Payment Interface ("**UPI**") transfers were 24.26 crore, 565.33 crore, 528.47 crore, and 8,371.44 crore, respectively, in FY 2023, up from 20.78 crore, 466.25 crore, 404.7 crore and 4,595.61 crore, respectively in Fiscal 2022. The value of RTGS, IMPS, NEFT and UPI transfers were ₹1,499.46 lakh crore, ₹55.85 lakh crore, ₹337.20 lakh crore and ₹139.15 lakh crore, respectively, in Fiscal 2023, compared to ₹1,286.58 lakh crore, ₹41.71 lakh crore, ₹287.25 lakh crore and ₹84.16lakh crore, respectively, in FY 2022. *(Source: RBI Annual Report – 2022-23)*

The RBI is also engaged in introduction of Digital Rupee (e₹), the central bank digital currency ("**CBDC**") in India. It is similar to the physical currency in terms of being a legal tender, accepted as a medium of payment and a safe store of value. The e₹ will provide an additional form of money to be used by the public. *(Source: RBI - Financial Stability Report Issue No. 26, December 2022)*

Certain Key Banking Business Sectors

MSME Sector

Credit to the micro, small and medium enterprises ("**MSME**") sector continued to grow in the range of 13.8–18.9% (y-o-y) during Fiscal 2023. Overall, credit to the MSME sector has been sustained by strong institutional support, which includes the Emergency Credit Line Guarantee Scheme ("**ECLGS**") and regulatory modifications in the definition of MSMEs. The asset quality of the MSME portfolio of SCBs improved significantly during Fiscal 2022-2023 with the GNPA ratio declining from 9.3% in March 2022 to 6.8% in March 2023 and SMA accounts going down from 11% in March 2022 to 8.6% in March 2023. Importantly, the improvement in asset quality has coincided with the expiry of regulatory forbearance and restructuring schemes introduced since 2018. *(Source: RBI – Financial Stability Report Issue No. 27, June 2023)*

Under the ECLGS scheme, which expired on March 31, 2023, SCBs accounted for almost ninety per cent of total disbursals (₹2.91 lakh crore). Contact intensive services and traders were the major sectors availing ECLGS loans. *(Source: RBI – Financial Stability Report Issue No. 27, June 2023)*

Sector-wise analysis of NPAs indicates that services and trade, which formed one third of the ECLGS disbursements, remain stressed and accounted for nearly half of the total delinquency under the ECLGS in these cohorts. *(Source: RBI – Financial Stability Report Issue No. 27, June 2023)*

The Union Budget FY 2023 announced few initiatives for MSME sector, it included extension of Credit guarantee scheme for subordinate debt ("**CGSSD**") up to March 2023, Additional credit of ₹2 lakh crore for MSMEs through revamped credit guarantee trust for micro and small enterprises ("**CGTMSE**"). Government also plans to roll out raising and accelerating MSME performance (RAMP) programme with an outlay of ₹6,000 crore. While presenting the Union Budget for Fiscal 2023-2024, the Finance Minister announced that the revamped credit guarantee scheme for MSMEs, proposed in the previous Budget, will take effect from April 1, 2023 through infusion of ₹9,000 crore in the corpus. This will enable additional collateral-free guaranteed credit of ₹ 2 lakh crore. Also, the cost of credit will be reduced by about 1%. *(Source: RBI Annual Report - 2021-22, Union Budget 2023-24)*

Priority Sector

The priority sector lending ("**PSL**") for scheduled commercial banks (SCBs) stood at 44.7% as on March 31, 2023. All bank groups achieved the prescribed PSL target of 40% during Fiscal 2022-2023. In case any bank falls short in achieving priority sector targets/sub-targets, they are advised to contribute towards the Rural Infrastructure Development Fund (RIDF) and other funds administered by the National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India, Micro Units Development & Refinance Agency Ltd. and National Housing Bank. The total trading volume of priority sector lending certificates (PSLCs) registered a growth of 7.7% and stood at ₹ 7.13 lakh crore in 2022-23 as compared to 12.4% growth during the previous year. Among the four PSLC categories, the highest trading was observed in PSLC-small and marginal farmers and PSLC-general with the transaction volumes being ₹3.21 lakh crore and ₹1.79 lakh crore, respectively, in Fiscal 2022-23. (*Source: RBI Annual Report 2022-23*)

(₹ in crores, except parentheses)

Performance in Achievement of Priority Sector Lending Targets			
End-March	**Public Sector Banks**	**Private Sector Banks**	**Foreign Banks**
2021-22	26,49,180	16,85,806	2,08,107
	(42.90)	(43.71)	(42.65)

2022-23	28,55,355	19,93,388	2,10,578
	(44.18)	(45.57)	(42.92)
**: Provisional* *Note: Figures in parentheses are percentages to ANBC or CEOBE, whichever is higher.*			

(Source: RBI Annual Report 2022-2023)

Implementation of the Basel III Capital Regulations

The RBI has issued guidelines based on the Basel III reforms on Capital Regulation to the extent applicable to banks operating in India. These guidelines require, among other things, higher levels of Tier I capital and common equity, a capital conservation buffer ("**CCB**"), maintenance of a minimum prescribed leverage ratio on a quarterly basis, higher deductions from common equity and Tier I capital for investments in subsidiaries and changes in the structure of non-equity instruments eligible for inclusion in Tier I and Tier II capital.

In December 2010, the Basel Committee on Banking Supervision issued a comprehensive reform package for capital regulations (Basel III). The objective of the reform package is to improve the banking sector's ability to absorb shocks arising from financial and economic stress, thus reducing the risk of spill over from the financial sector to the real economy. *(Source: RBI – Guidelines on Implementation of Basel III Capital Regulations in India)*

The RBI's Basel III Capital Regulations, which are more stringent than the requirements prescribed by earlier RBI guidelines, have been implemented in India in phases since April 1, 2013. The Basel III Capital Regulations were expected to be fully implemented by March 31, 2019. Banks shall maintain a minimum Pillar 1 Capital to Risk-weighted Assets Ratio of 9% on an on-going basis (other than capital conservation buffer and countercyclical capital buffer amongst others). Common Equity Tier 1 capital must be at least 5.5% of risk-weighted assets (RWAs). Tier 1 capital must be at least 7% of RWAs on an ongoing basis. Thus, within the minimum Tier 1 capital, Additional Tier 1 capital can be admitted maximum at 1.5% of RWAs. Banks are also required to maintain a capital conservation buffer (CCB) of 2.5% of RWAs in the form of Common Equity Tier 1 capital. *(Source: RBI Master Circular - Basel III Capital Regulations, May 12, 2023)*

RBI has advised ECAIs to disclose the name of the banks and the corresponding credit facilities rated by them in the Press Releases issued on rating actions. A bank loan rating without this disclosure by the ECAI shall not be eligible for being reckoned for capital computation by banks. *(Source: RBI Master Circular - Basel III Capital Regulations, May 12, 2023)*

In addition, the Basel III liquidity framework introduced the net stable funding ratio ("**NSFR**"), which measures the ratio between the available stable funding with maturities greater than one year and the required stable funding with maturities greater than one year to support long-term lending and other long-term assets. For banks in India, the RBI had released the final guidelines and prescribed an NSFR of at least 100% from April 1, 2020. However, in view of exceptional conditions due to COVID-19, the RBI, by way of its notifications dated March 27, 2020 and September 29, 2020, deferred its NSFR implementation to April 1, 2021. In view of the ongoing economic stress on account of COVID-19, it has been decided to defer the implementation of NSFR guidelines by a further period of six months. Accordingly, the NSFR Guidelines came into effect from October 1, 2021. *(Source: RBI – Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR), February 5, 2021)*

Leverage Ratio Framework

In June 2019, as a part of the 'Leverage Ratio Framework', the RBI announced that the minimum Leverage Ratio would be 4% for Domestic Systemically Important Banks and 3.5% for other banks. Both the capital measure and exposure measure along with Leverage Ratio are to be disclosed on a quarter-end basis. However, banks must meet the minimum Leverage Ratio requirement at all times. These guidelines were effective from the quarter commencing October 1, 2019. *(Source: RBI Master Circular – Basel III Capital Regulations, May 12, 2023)*

Domestic Systemically Important Banks

In August 2015, the RBI designated the State Bank of India ("**SBI**"), ICICI Bank and later in September 2017, the HDFC Bank as Domestic Systemically Important Banks ("**D-SIBs**"). Based on the methodology provided in the D-SIB framework and data collected from banks as of March 31, 2018, the RBI, in its release dated March 14, 2019, required SBI, ICICI Bank and HDFC Bank to provide Additional CET1 requirements as a percentage of RWAs of 0.6%, 0.2% and 0.2%, respectively. In accordance with the RBI's press release dated March 14, 2019, these CET1 requirements were applicable to D-SIBs from April 1, 2016 in a phased manner and became fully effective from April 1, 2019 onwards. The additional CET1 requirements were in addition to the CCB. *(Source: RBI releases 2018 list of Domestic Systemically Important Banks (D-SIBs)* dated March 14, 2019 and RBI releases 2020 list of Domestic Systemically Important Banks (D-SIBs) dated January 19, 2021 and RBI releases 2022 list of Domestic Systemically Important Banks (D-SIBs) dated January 02, 2023)

The Insolvency and Bankruptcy Code (Amendment) Act, 2017

The Insolvency and Bankruptcy Code ("**IBC**") (Amendment) Act, 2017 bars wilful defaulters, defaulters whose dues have been classified as NPAs for more than one year, and all connected persons ('connected persons' refers only to persons who are connected to the resolution applicant's business activity) from submitting resolution plans and purchasing the assets of corporate debtors in liquidation. An enabling provision is in place to provide a cure for ineligibility conditions and help in meeting the corporate insolvency resolution process timeline. It also empowers the insolvency professional to lay down qualifying criteria for resolution applicants familiar with the complexity and scale of the corporate debtor's operations. *(Source: The Gazette of India – The Insolvency and Bankruptcy Code (Amendment) Act, 2017)*

The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020

The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 (effective June 5, 2020) provides a time-bound process for resolving insolvency in companies and among individuals. The Act seeks to temporarily suspend initiation of the corporate insolvency resolution process ("**CIRP**") under the IBC. The Act provides that, for defaults arising during the six months from March 25, 2020, CIRP can never be initiated by either the company or its creditors. The central government may extend this period to one year by way of a notification. The Act clarifies that, during this period, CIRP can be initiated for any defaults arising before March 25, 2020. Under the IBC, a Director or Partner of the corporate debtor may be liable to make personal contributions to the assets of the company in certain situations. This liability can occur if, despite knowing that the insolvency proceedings could not be avoided, the person did not exercise due diligence in minimizing potential loss to the creditors. The Resolution Professional may apply to the National Company Law Tribunal ("**NCLT**") to hold such persons liable. The Resolution Professional is appointed to manage the resolution process upon the acceptance of an application for initiation of the CIRP. The Bill prohibits the Resolution Professional from filing such an application in relation to the defaults for which initiation of the CIRP has been prohibited. *(Source: The Gazette of India – The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 dated September 23, 2020)*

The Insolvency and Bankruptcy Code (Amendment) Act, 2021

The Insolvency and Bankruptcy Code (Amendment) Act, 2021 (effective April 4, 2021) introduced an alternate insolvency resolution process called the Pre-packaged Insolvency Resolution Process ("**PIRP**") for MSMEs with defaults up to ₹1 crore. It also allows Distressed Corporate Debtors ("CDs") to initiate a PIRP with the approval of two-thirds of their creditors to resolve their outstanding debt under the new mechanism. The management of the affairs of the corporate debtor shall continue to vest in the board of directors or the partners who shall make every endeavour to protect and preserve the value of the property of the corporate debtor, and manage its operations as a going concern. (*Source: The Gazette of India – The Insolvency and Bankruptcy Code* (*Amendment) Act, 2021 dated August 11, 2021*)

Amendments to the Banking Regulation Act

The Banking Regulation (Amendment) Act, 2017 was enacted with a view to give the RBI extensive powers to issue directions to banks for the resolution of stressed assets. The amendment introduced two new sections to the Banking Regulation Act: Section 35AA, which enables the RBI, with the authorisation of the Central Government, to direct banks to commence the insolvency resolution process against the defaulting company under the IBC and Section 35AB, which enables the RBI to issue directions to any banking company or group of banking companies for the resolution of stressed assets. *(Source: The Gazette of India – The Banking Regulation (Amendment) Act, 2017)*

The Banking Regulation (Amendment) Act, 2020 was enacted with a view to expand the RBI's regulatory control over co-operative banks in terms of management, capital, audit and liquidation. The Bill makes two changes: (i) extending previously omitted provisions of the Banking Regulation (Amendment) Act, 2017 to co-operative banks, and (ii) amending certain provisions of the Banking Resolution Act, 1949 applying to all banks. *(Source: The Gazette of India – The Banking Regulation (Amendment) Act, 2020)*

Recent Policy Measures Undertaken by the RBI

<u>SLR Holdings in Held-to-Maturity Category</u>

On September 1, 2020, the RBI increased the limits under the HTM category from 19.5% to 23% of NDTL in respect of SLR-eligible securities acquired on or after September 1, 2020 and on or before March 31, 2021. This dispensation was made available up to March 31, 2023. With a view to enable banks to better manage their investment portfolios, it has now been decided to extend the dispensation of the enhanced HTM limit of 23% up to March 31, 2024 to include securities acquired between September 1, 2020 and March 31, 2024. The HTM limit will be restored from 23% to 19.5% in a phased manner starting from the quarter ending June 30, 2024. (*Source: RBI - Statement on Developmental and Regulatory Policies dated December 7, 2022)*

<u>Individual Housing Loans – Rationalisation of Risk Weights</u>

On October 12, 2020, RBI had rationalised the risk weights for individual housing loans by linking them only with loan to value ratios for all new housing loans sanctioned up to March 31, 2022. Taking importance of the housing sector into consideration along with its multiplier effects and its role in supporting the overall credit growth, it was decided that the risk weights as prescribed in October 2020 circular shall continue for all new housing loans sanctioned up to March 31, 2023. *(Source: RBI - Statement on Developmental and Regulatory Policies dated April 8, 2022)*

<u>Introduction of the Standing Deposit Facility</u>

In 2018, RBI introduced Standing Deposit Facility ("**SDF**") – an additional tool for absorbing liquidity without any collateral. On April 8, 2022, it was decided to institute SDF with an interest rate of 3.75% with immediate effect. The SDF will replace the fixed rate reverse repo ("**FRRR**") as the floor of the liquidity adjustment facility ("**LAF**") corridor. Both the standing facilities viz., the marginal standing facility ("**MSF**") and the SDF will be available on all days of the week, throughout the year. The FRRR rate was retained at 3.35%. The FRRR along with the SDF will impart flexibility to the RBI's liquidity management framework. *(Source: RBI - Statement on Developmental and Regulatory Policies dated April 8, 2022)*

<u>Restoration of the Symmetric LAF Corridor</u>

With effect from April 8, 2022, the RBI restored width of LAF corridor to pre-pandemic level. With the introduction of the SDF at 3.75%, the policy repo rate being at 4.00% and the MSF rate at 4.25%, the width of the LAF corridor is restored to its pre-pandemic configuration of 50 bps. (*Source: RBI - Statement on Developmental and Regulatory Policies dated April 8, 2022*)

<u>Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies</u>

On January 16, 2023, the RBI issued Master Directions and guidelines for major shareholders (Acquisition and Holding of Shares or Voting Rights in Banking Companies) consolidating the earlier directions. The major changes made in the guidelines include updates in the limits on permissible shareholding by different categories of shareholders, introduction of reporting requirements for encumbrance of shares by promoter and strengthening of arrangements for continuous monitoring of the 'fit and proper' status of major shareholders of a banking company. *(Source: RBI Notifications dated January 16, 2023. Available at https://www.rbi.org.in)*

<u>Introduction of Securities Lending and Borrowing in Government Securities</u>

The RBI proposed to permit lending and borrowing of Government securities which will augment the existing market for 'special repos'. The system is expected to facilitate wider participation in the securities lending market by providing investors an avenue to deploy idle securities and enhance portfolio returns. (*Source: RBI - Statement on Developmental and Regulatory Policies dated February 8, 2023*)

<u>Recovery of Penal Charges on Loans</u>

The extant regulatory guidelines on levy of penal interest have been reviewed by the RBI. It has been decided that any penalty for delay/default in servicing of the loan or any other non-compliance of material terms and conditions of loan contract by the borrower shall be in the form of 'penal charges' in a reasonable and transparent manner and shall not be levied in the form of 'penal interest' that is added to the rate of interest being charged on the advances. Further, there shall be no capitalisation of penal charges (i.e., the same shall be recovered separately and shall not be added to the principal outstanding). However, in case of any deterioration in credit risk profile of the borrower, REs shall be free to alter the credit risk premium under extant guidelines on interest rate. *(Source: RBI - Statement on Developmental and Regulatory Policies dated February 8, 2023)*

Governance, measurement, and management of Interest Rate Risk in Banking Book

On February 17, 2023, the RBI issued final guidelines on Interest Rate Risk in Banking Book ("**IRRRBB**"), in line with revised framework issued by the Basel Committee on Banking Supervision ("**BCBS**"). The IRRBB arises form banking activities and is encountered by all banks. It arises because interest rates can vary significantly over time, while the business of banking typically involves intermediation activity that produces exposure to both maturity mismatch and rate mismatch. The date of implementation will be communicated in due course. *(Source: RBI Notifications dated February 17, 2023. Available at https://www.rbi.org.in)*

Operation of Pre-Sanctioned Credit Lines at Banks through the Unified Payments Interface

Unified Payments Interface ("**UPI**") is a robust payments platform supporting an array of features. Presently it handles 75% of the retail digital payments volume in India. The UPI system has been leveraged to develop products and features aligned to India's payments digitisation goals. Recently, RuPay credit cards were permitted to be linked to UPI. It is now proposed to expand the scope of UPI by enabling transfer to / from pre-sanctioned credit lines at banks, in addition to deposit accounts. (*Source: RBI - Statement on Developmental and Regulatory*

Policies dated April 6, 2023)

Framework for acceptance of Green Deposits

On April 11, 2023, the RBI notified framework for acceptance of green deposits to enable financial sector mobilising resources and their allocation thereof in green activities/projects. The framework to come in effect from June 1, 2023. *(Source: RBI Notifications dated April 11, 2023. Available at https://www.rbi.org.in)*

₹ 2,000 Denomination Banknotes- Withdrawal from Circulation

On May 19, the RBI decided to withdraw ₹ 2,000 denomination banknotes from circulation in pursuance of the "Clean Note Policy". The Rs 2000 denomination banknotes will remain legal tender. The facility for deposit and/or exchange of ₹ 2,000 banknotes shall be available for members of the public up to September 30, 2023. *(Source: RBI Notifications dated May 19, 2023. Available at https://www.rbi.org.in)* As the period specified for the withdrawal has come to an end, and based on a review, it has been decided to extend the current arrangement for deposit / exchange of ₹ 2,000 banknotes until October 7, 2023 *(Source: https://www.rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12540)*

Guidelines on Default Loss Guarantee (DLG) in Digital Lending

The RBI decided to permit arrangements between Regulated Entities ("**REs**") and Lending Service Providers ("**LSPs**") or between two REs involving default loss guarantee (DLG), commonly known as FLDG, subject to the guidelines laid down in the Annex to the referred circular. DLG arrangements conforming to these guidelines shall not be treated as 'synthetic securitisation' and/or shall also not attract the provisions of 'loan participation'. *(Source: RBI Notifications dated June 8, 2023. Available at https://www.rbi.org.in)*

Requirement for maintaining additional Cash Reserve Ratio (CRR)

On August 10, 2023, while reviewing the monetary policy for Fiscal 2023-2024, the RBI announced incremental CRR (I-CRR) of 10 percent on the increase in net demand and time liabilities ("**NDTL**") between May 19, 2023, and July 28, 2023. The I-CRR will be reviewed on September 8, 2023. (*Source: RBI Notifications dated August 10, 2023. Available at https://www.rbi.org.in*)

Regulatory measures towards consumer credit and bank credit to NBFCs

On November 16, 2023, RBI has announced the following regulatory measures towards consumer credit and bank credit to NBFCs:

A. Consumer credit exposure

(a) The risk weight for commercial banks towards consumer credit (outstanding as well as new) including personal loan, but excluding housing loans, education loans, vehicle loans and loans secured by gold and gold jewellery has been increased by 25% points from 100% to 125%; and

(b) The risk weight for credit card receivables of SCBs has been increased by 25% points from 125% to 150%.

B. *Bank credit to NBFCs* – Increase the risk weight on exposure of SCBs to NBFCs (excluding core investment companies) by 25% points in all cases where the extant of risk weight as per external rating of NBFCs is below 100%. For this purpose, loans to HFCs, and loans to NBFCs which are eligible for classification as priority sector shall be excluded.

(Source: RBI notifications dated November 16, 2023. Available at https://www.rbi.org.in)

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 19 for a discussion of the risks and uncertainties related to those statements and "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 49, 299 and 95, respectively, for a discussion of certain factors that may affect our business, results of operations or financial condition. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

In order to obtain a complete understanding of our business, you should read this section in conjunction with the sections "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Selected Statistical Information" on pages 160, 95 and 122, respectively, as well as other financial information contained in this Placement Document. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue.

Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise specified or as the context requires, financial information herein for Fiscal 2021, 2022 and 2023 is derived from the Audited Standalone Financial Statements while financial information as of and for the quarter and six months ended September 30, 2022 and September 30, 2023 *is derived from the Unaudited Standalone Financial Results, included in this Placement Document.*

The degree to which the financial information prepared in accordance with Indian GAAP will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

The Bank prepares its financial statements in accordance with the requirements prescribed under the Third Schedule of the Banking Regulation Act, in accordance with prevailing practices within the banking industry in India and Indian GAAP, which differs in some respects from IFRS. The Financial Statements reflect applicable statutory requirements, regulatory guidelines and accounting practices in India; these requirements, guidelines and practices change from time to time. In accordance with Indian GAAP, adjustments to reflect such changes are made on a prospective basis, and financial statements for earlier periods are not restated. For the purposes of a comparative analysis in the discussion below, previous years' figures have been reclassified wherever necessary

Unless otherwise stated, references to "the Bank" or "our Bank", are to Indian Bank on a standalone basis and references to "Group", "we", "us" or "our", are to Indian Bank on a consolidated basis.

*Unless otherwise indicated, certain information in this section includes extracts from publicly available information, data and statistics, and has been derived from various publications and industry sources, including officially prepared materials from the Government of India (the "**GoI**") and its various ministries, from the RBI and Ministry of Statistics and Programme Implementation. Neither the Bank, nor the Book Running Lead Managers, nor any other person connected with the Issue has independently verified such information.*

Overview

The Bank is seventh largest public sector banks in India as per global business for Fiscal 2023. *(Source: https://www.iba.org.in/depart-res-stcs/key-bus-stcs.html; last accessed on December 11, 2023)* As of September 30, 2023, the Bank's total assets, net advances and deposits stood at ₹738,766.72 crore, ₹470,626.58 crore and ₹640,802.66 crore, respectively. Having originated out of Southern India, the Bank has strengthened its brand and reputation over the years as it expanded its operations across India. Further, the amalgamation with erstwhile Allahabad Bank has resulted in larger balance sheet size and optimized capital utilization, wider geographic reach leading to deeper penetration, sharing and scale of product capabilities and platforms with greater cross sell across segments, increase in operational and process efficiencies through scale benefits and elimination of duplication.

The amalgamation of the erstwhile Allahabad Bank into our Bank came into effect on April 1, 2020. Since the amalgamation, we have worked diligently to harmonize and transform the policies, products and processes of our new amalgamated Bank. We rolled out a new organizational structure, expanded our pan-India presence and rationalized the number of branches for effective operations.

As of September 30, 2023, the Bank had over 15 crore customer accounts, reflecting its large customer base, with operations across 28 states and 6 union territories with 21,511 touch points in India. The Bank also has two branches in Sri Lanka, one branch in Singapore and one IFSC branch in GIFT City, Gandhinagar Gujarat as of September 30, 2023. Other distribution channels include internet banking, e-remittance, SMS banking and mobile banking.

The Bank's primary banking operations currently include fund-based and non-fund-based facilities for retail, agriculture and micro, small and medium enterprises and corporate customers.

The principal banking operational units of the Bank include:

- Retail Banking;
- Micro, Small and Medium Enterprises ("**MSME**") Banking;
- Agricultural Banking;
- Corporate Banking;
- International Banking; and
- Other Services.

Through its banking operational units, the Bank offers deposit products, foreign exchange products, fee and commission-based products and services, international banking products and services, and other banking products and services, such as the distribution of mutual fund and insurance products. It also engages in treasury operations and are also engaged in the business of housing finance, merchant banking, depository participant services, general insurance and act as an asset reconstruction company through our subsidiaries, joint ventures and associates.

Over the years, the Bank has taken several steps to reorient itself back onto a path of sustainable growth and profitability. Among these steps, the Bank has undertaken better NPA management, better credit monitoring (through early warning signals) and capacity building of personnel. The Bank also made several investments in technology and data analytics to transform its operating architecture into a technology enabled digital operating platform. As of September 30, 2023, our Bank had 0.98 crore internet banking users and 1.51 crore mobile banking users. Our Bank has focused on modernizing and expanding its retail customer touch points by implementing advanced digital banking platforms, such as mobile banking through the 'IND OASIS' mobile app, internet banking, online account opening facility and digital lending. In addition, the Bank also digitally-enabled its asset liability management, loan origination, cash management and financial reporting areas, thus improving its internal risk management processes.

The table below sets forth the Bank's selected key ratios:

	For the Fiscal year ended / As of March 31,			For the six months ended / As of September 30,	
	2021	2022	2023	2022	2023
Provision coverage ratio (%)	82.12	87.38	93.82	91.08	95.64
Return on equity ratio (%)	10.63	12.13	14.73	14.00	18.90
Return on asset ratio (%)	0.50	0.63	0.77	0.72	1.01
Capital adequacy ratio (CRAR) (%)	15.71	16.53	16.49	16.15	15.53
Gross NPA as a percentage of Gross Advance (%)	9.85	8.47	5.95	7.30	4.97

The Bank's net interest income was ₹ 15,665.95 crore, ₹ 16,727.95 crore, ₹ 20,225.46 crore, ₹ 9,217.95 crore and ₹ 11,443.70 crore in Fiscal 2021, 2022, 2023 and six months ended September 30, 2022 and September 30, 2023, respectively. Net interest margin was 2.81%, 2.93%, 3.37%, 3.13% and 3.51%, in Fiscal 2021, 2022, 2023 and six months ended September 30, 2022 and September 30, 2023, respectively. Total interest income was ₹ 39,105.79 crore, ₹ 38,856.22 crore, ₹ 44,942.21 crore, ₹ 20,863.56 crore and ₹ 26,792.67 crore in Fiscal 2021, 2022, 2023 and six months ended September 30, 2022 and September 30, 2023, respectively.

Our Competitive Strengths

Diversified asset portfolio with a focus on retail agriculture and MSME ("RAM") sectors

We believe that our diversified product mix is able to cater to customers across metropolitan cities, urban, semi urban and rural areas, as our banking activities include retail, MSME, corporate, agriculture and international banking operations. With an aim to reduce concentration risk, we have diversified our advance portfolio among several sectors. In particular, our retail credit portfolio consists of a variety of financial products including housing loans, vehicle loans, personal loans and education loans. We provide funding to sectors identified by the government as priority sectors with specific focus on products to the MSME sector. Our advances to the RAM sectors represented 62.33% of the gross domestic advances as of September 30, 2023. Further, as of September 30, 2023, advances to corporate, retail, agriculture and MSME sectors represented 37.67%, 20.79%, 24.07% and 17.47% of our domestic advances, respectively.

We also cater to our corporate customers by offering infrastructure/ project finance in the form of working capital, short term credit, import/export credit, and letters of credit facilities. Our corporate banking business caters to the business needs of varied enterprises and corporate entities both in the public and private sector, ranging from large corporates, multi-national corporates and other financial institutions. We believe our corporate banking activities benefit us through improved yield and also provide us with opportunities to build our fee-income based products.

We have driven our operations towards a balanced asset portfolio with a focus on our retail operations, and selective attention to our corporate operations, determined by our ability to match the risk appetite of such corporate credit. We believe that this has enabled us to reduce our exposure to some of the distressed sectors in India, including telecom and power, and has allowed us to deploy our resources to the higher yielding sectors of retail and MSME credit instead. As of September 30, 2023, our fund based exposure to NBFC sector accounted for approximately 11.16%, other infrastructure accounted for approximately 4.42%, power accounted for 4.31%, petroleum and petroleum products accounted for 1.73%, ports and roads accounted for approximately 2.14%, iron and steel accounted for approximately 1.68%, textiles accounted for approximately 1.84%, construction contractors accounted for approximately 1.64% and commercial real estate accounted approximately 3.02%, of Bank’s fund based credit exposure.

We believe our strategically diversified asset portfolio across the RAM sectors will lead to better risk diversification, increased revenue and improved margins.

Stable and growing deposit base: CASA growing faster than term deposits

Our CASA ratio (domestic) decreased from 42.89% as of March 31, 2021 to 42.26% March 31, 2022 and increased to 42.80% as of March 31, 2023 and was 41.56% as of September 30, 2022 and 41.37% as of September 30, 2023, and our CASA ratio (global) decreased from 42.30% as of March 31, 2021 to 41.77% March 31, 2022 and increased to 41.99% as of March 31, 2023 and were 40.94% as of September 30, 2022 and 40.11% as of September 30, 2023. Further, our deposits have witnessed a healthy growth of from ₹ 538,071.11 crore in Fiscal 2021 to ₹ 593,617.81crore in Fiscal 2022 to ₹ 621,165.76 crore Fiscal 2023 and were ₹ 588,859.99 crore and ₹ 640,802.66 crore, respectively, in September 30, 2022 and September 30, 2023.We believe that we are able to maintain a relatively low-cost funding base as compared to our competitors, by expanding our base of retail savings and current deposits, carrying out government business, and increasing the free float generated by transaction services. While the Bank’s cost of deposit decreased from 4.44% in Fiscal 2021 to 3.97% in Fiscal 2022, it subsequently increased to 4.09% in Fiscal 2023, and was 4.75% in the six months ended September 30, 2023 on account of increase in interest rate.

Improving asset quality: Reduction in GNPA, NNPA aided by lower addition of fresh slippages

We are focused on maintaining a high level of asset quality. Our prudent risk management and credit evaluation processes, coupled with our ability to evaluate and appropriately price risk, have helped us maintain relatively low NPAs, restructured standard assets and Special Mention Accounts Category 2 (“**SMA2**”). Our Bank’s net NPA, net restructured standard assets, and SMA2 were 0.60%, 3.15% and 1.79% of net advances respectively as of September 30, 2023. Our Bank’s gross NPAs as a percentage of gross advances was 9.85%, 8.47%, 5.95%, 7.30% and 4.97% in Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023, respectively, and net NPAs as a percentage of net advances was 3.37%, 2.27%, 0.90%, 1.50% and 0.60%, respectively. The provision coverage ratio as of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and September 30, 2023, was 82.12%, 87.38%, 93.82%, 91.08% and 95.64%, respectively. The slippage ratio decreased from 2.80% in Fiscal 2021 to 2.79% in Fiscal 2022 and further decreased to 1.75% in Fiscal 2023 and was 1.67% for the six months ended September 30, 2023. While the credit cost increased from 1.99% in Fiscal 2021 to 2.25% in Fiscal 2022, however, it decreased to 1.58% in Fiscal 2023 and was 0.81% in the six months ended September 30, 2023.

Further, we have witnessed stable collection efficiency month on month across all sectors with an improvement in the MSME sector. The table below provides details of our collection efficiency across the retail, agriculture, MSME and corporate sector:

Sector	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six months ended September 30, 2022	Six months ended September 30, 2023
	(in %)				
Retail	92.00%	95.00%	94.00%	93.73%	93.53%
Agriculture	85.00%	90.00%	92.00%	90.42%	90.41%
MSME	90.00%	95.00%	95.00%	90.96%	94.54%
Corporate	90.00%	99.00%	99.00%	98.77%	99.31%

We believe we have been able to contain NPA levels and maintain relatively healthy asset quality by implementing our independent risk management function covering enterprise risk management, credit risk, market risk and operational risk that are updated on a continuous basis towards preserving our asset quality amongst other risk objectives. As of September 30, 2023, we had an exposure of ₹23,408.42 crore to NCLT accounts with ₹ 1,399.63 crore towards RBI List I, ₹ 2,854.31 crore towards RBI List II, ₹ 1,328.43 crore towards towards accounts filed by the Bank and ₹ 17,826.04 crore towards accounts filed by other banks against which we are fully provisioned.

The independent risk management system seeks to identify and manage risks at the Bank's business group level, using technology to allow each business group to manage its risks effectively and within the Bank's policies. The Bank is in compliance with Basel II and Basel III requirements and has implemented new credit risk assessment models, independent validation of internal ratings and increased use of IT to improve and maintain the quality of loan data. The Bank's capital adequacy ratio was 16.49% and 15.53%, respectively as of March 31, 2023 and as of September 30, 2023.

Long standing pan India presence with strong branch network across Southern, Central and Eastern India

With over 116 years of banking operations in India, the Bank believes it is one of the most well-established and recognized banking brands in India with a loyal customer base. Having originated out of Southern India, the Bank has strengthened its brand and reputation over the years as it expanded its operations across India. Further, the amalgamation with erstwhile Allahabad Bank has resulted in larger balance sheet size and optimized capital utilization, wider geographic reach leading to deeper penetration, sharing and scale of product capabilities and platforms with greater cross sell across segments, increase in operational and process efficiencies through scale benefits and elimination of duplication.

As of September 30, 2023, had a branch network of 5,819 branches across India (including 3 Digital Banking units) with 1,914 branches in Southern India, 1,417 branches in Central India, 1,246 branches in Eastern India, 692 branches in Northern India, 409 branches in Western India and 141 branches in North Eastern India. 78.62% of the domestic branches are located in Southern, Central and Eastern India with more than 57.50% of the domestic branches located in key states of Tamil Nadu, Uttar Pradesh, West Bengal, Andhra Pradesh and Bihar.

Our Pan-India branch network allows us to provide banking services to a wide variety of customers, including large and mid-sized companies, institutions, state-owned enterprises, as well as corporate, agricultural, industrial and retail customers. As of September 30, 2023, the Bank's branches are also well distributed across different tiers of cities with 34% in rural areas, 26% in semi urban areas, 20% in urban areas and 20% in metro cities. As of September 30, 2023, the Bank also had 4,866ATMs and BNAs. As of September 30, 2023, we had 10,825 business correspondents to serve unbanked areas. Further, as of September 30, 2023, our processing centres and verticals included 9 (nine) Large Corporate Branches, 26 Mid Corporate Branches, 77 MSME and Agro Processing Centres, 72 Retail Asset Processing Centres, 15 SAM and 51 Resources Acquisition Centres.

The Bank's branch network is further complemented by its digital strategy, including online and mobile banking solutions, to provide its customers with access to on-demand banking services, which we believe allows us to develop strong and loyal relationships with our customers. The Bank continues to enhance its brand by making significant investments in its products and services by identifying industry trends, customer requirements, and evolving modes of product delivery and customer engagement. We believe that these initiatives along with an experienced employee base of 41,665 employees as of September 30, 2023 have enabled our Bank to provide quality service, strengthen relationships with existing customers and acquire new customers.

As a testament to the strength of our brand, we have received several awards in recognition of our operations, including runners up for "Best Social Bank" award at the ASSOCHAM Annual Business Summit Cum Social Banking Excellence Awards 2016 in the large bank category. We were also awarded the NABARD prize for excellence in performance under the SHG-Bank Linkage Programme in Tamil Nadu in Fiscal 2022. We have also been recognized for our technology and awareness initiatives. For details, see "*Awards and Certifications*" on page 205.

Proven history of profitable performance and stable financial position

The Bank has over ten decades of operating experience and the Bank's recent financial growth reflects our competitive strengths. We have declared dividends every year between Fiscal 2008 to Fiscal 2017, with dividends again having been recommended by our board of directors for Fiscal 2021, 2022 and 2023. We have been well-capitalized with a standalone capital adequacy ratio of 15.53% as of September 30, 2023. The Bank's capital position, as measured by its overall and Tier I capital adequacy ratios, allows the Bank to take advantage of significant growth opportunities in the market. The Bank's results reveal a strong set of performance ratios for Fiscal 2023 and six months ended September 30, 2023, including a cost-to-income ratio of 44.20% and 44.29%, respectively.

The Bank also offers a wide range of products that generate interest and fee income, both of which have grown over the years. The Bank's net interest margin (domestic) as of March 31, 2023 and as of September 30, 2023 was 3.41% and 3.57%, respectively.

The table below provides certain details of our financial performance as at and for the periods indicated:

Particulars	**As at and for the years ended March 31,**			**As at and for the sixmonths ended September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
	(₹ in crore)				
Net Interest Income(1)	15,666.94	16,727.95	20,225.46	9,217.95	11,443.70
Operating Income(2)	21,316.13	26,643.40	27,368.52	12,650.69	15,146.25
Operating Profit(3)	10,966.58	12,716.90	15,270.62	7,193.63	8,437.38
Profit After Tax	3,004.68	3,944.82	5,281.70	2,438.66	3,696.59

(1) *Net Interest Income is calculated as Interest Income less Interest Expense*
(2) *Operating Income is calculated as net interest income plus non-interest income.*
(3) *Operating Profit is calculated as operating income less operating expense.*

Our strong financial position is also reaffirmed by various rating agencies such as CRISIL, CARE, India Ratings & Research and Brickwork. For our Additional Tier-I perpetual bonds, we have been assigned a rating of AA+/ Stable by both CARE and CRISIL and AAA/stable for our Tier II bonds by CARE, CRISIL and Brickwork. Tier 2 Bonds aggregating to ₹ 2500 crore issued by erstwhile Allahabad Bank are rated AA+ /Stable by India Ratings.

Focus on leveraging and improving digital technology capabilities

We are committed to digital banking and have been upgrading our systems to ensure integration between our existing infrastructure and our new digital banking products. The Bank's IT strategy has supported business initiatives by continuously updating technology and processes to meet evolving business requirements. By establishing an IT system which effectively integrates customer service channels, internet banking, customer service systems, and information platforms. This has enabled the Bank to provide its management team with relevant financial and operational data on a real-time basis and better serve the Bank's customers in an efficient and effective manner.

The Bank's digital distribution capabilities have thus far proved to be an important competitive advantage, especially in light of the COVID-19 pandemic related lockdowns and social distancing restrictions. Such initiatives included adoption of interoperable QR code to accept digital payments and introduction of several mobile applications for the benefit of our customers. These initiatives have also made the Bank's operations faster and more efficient and allowed it to extend the reach of its banking products and services to customers in remote or underserved locations.

We strive to migrate transactions to digital channels which are more cost effective than physical channels, and which provide our customers with convenience and transparency in banking activities. As of September 30, 2023, our Bank had 0.98 crore internet banking users and 1.51 crore mobile banking users. As of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and September 30, 2023, 64.68%, 74.37%, 81.79%, 70.29% and 82.47% of our transactions in such periods, respectively, were performed through digital channels. We have designed and developed "PAiSA portal", an initiative of the Ministry of Housing and Urban Affairs, to provide end to end process of payment of interest subvention in various schemes. We have also launched the 'Digital Apnayen' campaign to encourage customers to increasingly use its digital assets. Since its launch on August 15, 2020, more than 0.90 crore customers have been on boarded by the Bank on its digital platforms. Of the total number of transactions, 14.29% were branch transactions and 77.04% were digital transactions during the six months ended September 30, 2023. The branch transactions reduced to 4.73% and digital transactions increased to 7.27% during the six months ended September 30, 2023. ATM and BNA transactions reduced to 2.84% for the six months ended September 30, 2023.

We have introduced a Chatbot "ADYA" to provide timely response to customer queries which uses natural learning processing skills. We have also implemented technologies like data analytics, artificial intelligence, machine learning and blockchain technology as a tool for analysis and decision making and providing improved customer experience. We have also partnered with several financial technology companies to offer various digital products such as Fisdom for providing mutual fund opening facility to mobile banking customers. We have improved user experience through enhancements in user interface and creating seamless multichannel experiences. We have also been delivering customer support and solutions through Chatbots and online dispute redressal systems. Our customers can also access their bank accounts through mobile applications based on a UPI developed by the National Payments Corporation of India called "Bharat Interface for Money" ("**BHIM**"). As of September 30, 2023, we had approximately 0.36 crore of our accounts registered with BHIM and 0.39 crore had installed the Bharat/BHIM QR Code. The number of internet banking users increased by 36.84% from 0.57 crore in Fiscal 2021 to 0.78 crore in Fiscal 2023 and was 0.98 crore in the six months ended September 30, 2023, the number of mobile banking users increased by 105.36% from 0.56 crore in Fiscal 2021 to 1.15 crore in Fiscal 2023 and was 1.51 crore in the six months ended September 30, 2023 and the digital ratio was 56.22% in Fiscal 2021, 2022 and 2023 and 67.53% for six months ended September 30, 2022 and 77.04% September 30, 2023, respectively.

Under the new digital initiatives of our Bank we have 63 digital journey (*digital journey refers to the digitization of business processes related to sales / servicing of the Bank's products or services by integrations and automation*) under our digital transformation program in various segments with key initiatives being pre-approved personal loans, home loans to existing customers and takeover of existing loans, vehicle loans, pre-approved credit cards and digital overdrafts against e-deposits, insurance, jewel loans and loans against insurance under retail segment, digital KCC and over draft against deposits under agriculture segment, pre-approved business loans and MSME jewel loans under MSMR segment. We also offer liability products such as digital term deposits and IND SWAGAT which offers term deposits for new customers. We have also launched various third party products such as Universal SOMPO 2 Wheeler, Universal SOMPO 4 Wheeler and Universal SOMPO Health. As of September 30, 2023, our overall e-business was ₹ 29,116.57 crore comprising ₹ 24,205.43 crore RAM (e-business) and ₹ 4,911.14 crore deposits (e-business), respectively.

Our Bank has a cyber security defence system to ensure cyber resiliency and business continuity. We use various solutions, tools, processes like data leakage prevention solution, database activity monitoring solution, privilege identity management solution, anti-virus, network access control solution, advanced threat protection, vulnerability assessment tool, regular vulnerability assessment and penetration testing, application scanning and also conduct mock cyber drills to mitigate risks at networks, gateway, servers, applications, endpoints etc. The solutions are monitored by the Cyber Security Operation Centre ("**C-SOC**"). C-SOC is operational 24x7 and monitors anomalies, suspected intrusions based on the analysis of the logs from various devices using Security Incident and Event Management Systems ("**SIEM**").

Continued focus on environmental, social and governance ("ESG") initiatives

Our approach to environmental, social and governance ("**ESG**") issues is becoming increasingly integrated in the work we do across our business and the support we provide our customers. Though our environment initiatives, we aim to support our customers to execute their sustainability strategies. Our sustainable environmental practices include formulating a policy on green deposits incentives eco-friendly investments, our corporate office being gold rated green building, with solar panels installed on roof top, replacing diesel generator with inverter to reduce carbon emission, paperless banking initiatives for internal communication, document management and enhanced customer service, providing financing to green energy projects such as wind-power, solar-power and ethanol based projects and conducting tree plantation drives.

In the area of creating values for inclusive livelihood, we have taken the following initiatives:

- ***Rural development***: 37 Rural Self Employment Training Institutes centres in the name of Indian Bank Self-Employment Training Institute) trained 14,577 candidates through 495 programmes during the six months ended September 30, 2023;
- ***Education***: 42 financial literacy centres conducted 1,102 camps during the six months ended September 30 2023, covering 50,570 participants;
- ***Health Care***: Organized blood donation camps and health check-up camp for public by our officials in collaboration with hospitals, blood banks and NGOs; and sponsored ambulances, vehicles, medical equipment to various hospitals across the country;
- ***Micro-credit***: Credit amounting to total of ₹ 586 crore to 0.46 crore street vendors until September 30, 2023;
- ***Women empowerement***: Our Bank financed 54 lach women under self help groups as of September 30, 2023; and donated sewing machines for income generatio to disabled and under-priileged women; and
- ***Person with Disabilities welfare***: Our Bank sponsored mobility aids and provided computers for training to disabled persons through various non-governmental organizations.

In the area of governance, we aim to have a diverse board and management team and employ good corporate governance policies and practices. In that regard, we have established the following key policies:

- Corporate Governance Policy for transparent and responsible decision-making;
- Code of Ethics to foster a culture of integrity and responsibility within the organization;
- Inspection and audit policy for better compliance, quality and performance;
- Business Contingency Plan for continuity in operation with minimum disruption in unexpected circumstances;
- Whistle Blower Policy to enhance transparency and accountability;
- Risk Management Policies to mitigate credit, market and operational risks;
- Policy for Prevention of sexual harassment of women at workmen;
- Customer Rights Policy to secure privacy and prompt grievance redressal of customers; and
- Policies on Cyber Security and Fraud Risk Management for sound business and supervisory practices, control and monitor "*Systemic Risk*".

Experienced management team with demonstrated track record

Our Board of Directors consists of experienced professionals with extensive experience in their respective fields. Our Bank has four full-time directors and has the support of representatives of the Government of India and the RBI. Members of our Board have significant experience in banking and financial services. Our Managing Director and Chief Executive Officer, Mr. S.L. Jain, has significant experience in the banking industry spread across a spectrum of domains. We believe their experience is instrumental in driving our business successfully through periods of global financial crisis and economic downturn, as well as through periods of volatility in markets and interest rates.

We have a committed senior management team driving our strategy and execution. The senior management team comprises of executives with considerable experience which has facilitated our growth and risk management strategies, through economic adversities and challenges in India. The experience and expertise of our board of directors and senior management team across a variety of disciplines and industries assists us in understanding the preferences of our customers and adapt to our business and operations accordingly.

We believe our team's focus on executing growth strategies while maintaining profitability, setting measurable targets benchmarked to market leaders and monitoring performance against such targets, anticipating customer demand and adding new products and services, investing in technology and building our brand have contributed to an overall improvement in our key metrics.

For further information, see "*Board of Directors and Senior Management*" on page 207.

Our Strategies

We have the following strategies to help grow our Bank:

Continue to strengthen retail banking operations

To drive sustained growth of our retail banking operations, our Bank will continue to expand our retail operations by strategically expanding our branch network, prioritizing locations based on comprehensive market analysis and leveraging technology for operational efficiency. Simultaneously, considering the role of digital channels, we will continue to invest in a robust digital platform for retail lending. This includes user-friendly mobile applications, data-driven lending solutions, and strategic collaborations with fintech partners to enhance our digital capabilities.

Further, to increase our deposit base, we will launch attractive deposit schemes to entice the younger demographic, employing social media and digital marketing for targeted outreach. Additionally, we are diversifying our lending portfolio by placing emphasis on mortgage-based retail products. This strategic move not only addresses the diverse needs of our customer base but also serves as a risk mitigation measure. By providing mortgage products, we intend to strike a balance between portfolio growth and risk management.

Increase fee-based revenue and income from distribution of third-party products

In addition to loans and other interest generating products, the Bank's integrated branch and electronic banking network and its increasingly diversified product and service portfolio has enabled it to generate fee and commission-based income from services such as transaction fees, loan processing charges, commission on letter of credit/bank guarantee, credit cards, , annual maintenance charges on ATM/debit cards, locker rent, point-of-sale payments, treasury and trade services, government business and cash management services among others.

For Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023, our Bank's has generated fees based income amounting to ₹ 2,367.53 crore, ₹ 2,554.71 crore, ₹ 2,969.47 crore, ₹ 1,350.83 crore and ₹ 1476.38 crore, respectively, representing 5.29%, 5.58%, 5.70%, 5.56% and 4.84% of our Bank's total income. We intend to focus on increasing our fee-based income by expanding our third-party product offerings. As of September 30, 2023, these third-party products included life, general and health insurance products, and mutual fund distribution services. We intend to increase our fee-based services and alliances and engage in further cross-selling of our offerings to our existing customers. For example, we have entered into agreements with leading mutual fund companies for the distribution of their mutual fund products. We market, sell and distribute, as may be applicable, insurance products of certain large corporations and companies. We intend to focus on and develop this revenue stream further by scaling up our digital channel promotion of the insurance and mutual fund products in Bank's digital platforms of mobile and internet banking apart from dedicated business campaigns.

Focus on digitization and technology infrastructure

We believe that the increased usage of internet by consumers and access to data networks in India has led to the need for a comprehensive digital strategy by banks and financial institutions to proactively develop new methods of reaching customers. We intend to leverage our digital channels to source business, and in particular, grow our CASA and advances. We will also leverage our advanced technology infrastructure to further improve client and transaction management and achieve enhanced efficiency and productivity levels. We currently provide a range of options for customers to access their accounts, including internet banking and mobile banking, which as of September 30, 2023, facilitated 1.73 crore and 2.97 crore transactions, respectively, at the Bank. Our customers can also access their bank accounts through mobile applications based on a UPI. As of September 30, 2023, we had approximately 0.36 crore of our accounts registered with BHIM and 0.39 crore had installed the Bharat/BHIM QR Code.

We intend to focus on harnessing the power of data to drive decision making and operational excellence while providing personalized experience to each customer. The endeavour will be to migrate customers to digital channels and move transactions away from branches to contactless banking modes. We believe additional investment in our technology infrastructure and in-house analytics to further develop our digital strategy will allow us to cross-sell a wider range of products available on our digital platform in response to our customers' needs and thereby expand our relationships across a range of customer segments. As our customers can interact with us more frequently than previously and easily access their accounts wherever and whenever they desire, we believe that a comprehensive digital strategy will provide opportunities for development of long-term customer relationships. For example, under our new initiative, we have also launched 63 (48 digital journeys plus 15 utilities) digital products under our digital transformation program. Further, in July 2023 we have launched new digital services, by introducing an electronic bank guarantee service to simplify traditional paper-based processes. This move is expected to significantly reduce the turnaround time for issuing and delivering bank guarantees from the industry average of three to four working days to just a few minutes. It replaces these requirements with digital stamping and e-signing, making the entire process seamless and fully digital. By embracing these advancements, the Bank aims to enhance operational efficiency and provide a more convenient and efficient banking experience to its customers. Furthermore, the Bank has introduced a facility for pre-approved business loans, offering eligible individuals and proprietor firms an end-to-end digital journey to meet their business needs. This streamlined process simplifies the loan application and approval process, providing quick access to funding for eligible borrowers. The Bank has also launched a digital vehicle loan product, enabling individual customers to obtain hassle-free loans for their dream vehicles, with a loan value of up to ₹ 25 lakh. We plan to focus on operational and cost efficiencies, expansion of service delivery models and increasing penetration among existing and new customer segments. We have migrated branches to our core banking application platform and expanded our ATM and internet banking networks, providing a comprehensive suite of mobile banking, debit and prepaid card services, and payment systems. We continue to focus on increased operational efficiencies by further optimizing our operating platform through technology enhancement and process streamlining, in order to achieve a more efficient operating model and to support new business models and distribution channels. Accordingly, we are continuing to invest in technology in order to improve our banking operations and efficiency, to reduce errors arising out of manual intervention and to carry out regular IT audits which are reviewed by committees of our Board. We are also continuing to invest in our cyber security network and privacy protection systems, in order to supplement our growth and increase the strength of our data security framework.

Continued transformation in operating models

We aim to continue our business process transformation initiative to transform and grow our core business units, that is, retail lending, corporate lending, MSME lending and priority sector lending, while managing stressed assets. To achieve this, we intend to build capabilities beyond credit and deposits to become a relationship-led financial institution. We have accordingly formulated a segment-wise strategy to focus on key aspects of our operations, including collections and recovery, risk management, compliance and controls, governance framework, market and brand building, and digitization and technology.

We have identified the growth of our retail banking sector as a priority business initiative, and in order to achieve this, we intend to improve the following areas of our operations: home loans, vehicle loan, salary loans, pension lease rental discounting (Indian Bank rental /rent encash), mortgage loan and jewel loans. To strengthen the retail assets franchise, we continue to introduce new products and strengthen existing products.

- We have undertaken structural changes such as establishment of Retail and MSME Processing Centre in all zones catering to all branches of the Bank (excluding Large Corporate Branch /Mid Corporate Branch).

- We have taken digital initiatives such as activation of digital channel for customer to apply for loan through SMS, our call centre, missed calls, mobile banking and our website. Loan lifecycle management system for retail products is also under implementation. We have also implemented digital analytics and business intelligence (“**DABI**”) for mining of existing customers database for customised product offering. We have tied up with well-known web portals for sourcing home loan leads. We have also implemented end-to-end digital lending in various retail products.

In particular, we believe that priority sectors (including agriculture and small-scale industries) offer large and potentially profitable growth opportunities. As of September 30, 2023, our Bank had 3,496 branches in rural and semi-urban centres and we intend to maintain and enhance our presence in rural and semi-urban centres. Another aspect of our strategy is to further strengthen ties with the agricultural community as well as related manufacturers. In particular, we propose to carry out targeted product programs that are specific to certain geographies and industries for traditional small and medium enterprise customers. We also seek to tap into emerging opportunities in the e-commerce sector and supply chain finance.

Focus on capital optimisation and explore sale of non-core assets

Our Bank has always focused on maintaining our capital adequacy ratio in line with the Basel III guidelines. Our Banks capital adequacy ratio has increased from 15.71% as of March 31, 2021 to 16.49% as of March 31, 2023 and was 16.15% as of September 30, 2022 and 15.53% as of September 30, 2023. We plan to continue focusing on improving our capital adequacy ratio through internal accruals, monetisation of non-core assets and capital raising. We believe that effective risk management is essential to our growth, strategic planning and long-term sustainable development. We plan to continue strengthening our risk management and internal control capabilities by improving our policies and procedures and introducing advanced risk management tools. We have also increased our focus on growing the RAM portfolio in order to diversify and minimise the risk of our weighted assets.

Further, we aim to reduce our dependence on high-cost deposits. This, we believe, will help in reducing our cost of funds. Additionally, we are also in the process of rationalizing our branch structure and reallocating resources to increase efficiencies and further aim to improve productivity by creating a culture of cost control and operational efficiency internally by striking an effective balance between people, processes and technology through the optimal allocation and utilization of resources.

We will focus on improving our capital adequacy ratios and ensure capital optimization. In order to enhance our capital base, we also intend to undertake the sale of non-core assets and investments as well as our shareholding in some of our subsidiaries and associates. For example, consequent upon amalgamation of erstwhile Allahabad Bank into the Bank, the stake of the Bank in ASREC (India) Limited ("**ASREC**") became 38.26% with effect from April 1, 2022. While, as part of our monetization process, we tried to sell our stake, however, as the stake sale process has still not materialized, the RBI, on our request, recommended to Government of India for extension of said exemption upto March 31, 2025.

Continue optimizing our risk management processes

The Bank has adopted a focused approach to unwinding the remaining stressed assets in its portfolio by verticalizing its collection and recovery functions and setting up dedicated teams for driving collection and recovery in the Bank's corporate and retail portfolio. The Bank's risk management framework is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. An independent risk management department is responsible for the assessment, monitoring and reporting of risk exposures across the Bank. All the risks which the Bank is exposed to are managed through the three committees: the Asset Liability Management Committee, the Credit Risk Management Committee and the Operational Risk Management Committee. These committees work within the overall guidelines and policies approved by the Board and Risk Management Committee of the Bank. The Bank has put in place various policies to manage the risks. All the policies are reviewed at a minimum on an annual basis by Risk Management Committee or the Board. In order to disseminate the risk management concepts and also to sensitize the field level functionaries, the relevant policies were circulated to the branches, in addition to imparting training at the Bank's training establishments.

In addition, the Bank also intends to continue taking proactive measures to improve its credit monitoring process and reviewing and improving its internal credit monitoring policy and procedures. The Bank can further reduce slippage in asset quality and decrease the risk profile of its loan portfolio. For example, the Bank has recently classified different borrower industry groups into distinct risk categories and implicitly allocated upper capital thresholds to new borrowers based on the Bank's perceived risk profile within each such industry groups. Finally, the Bank will remain vigilant by closely monitoring the evolving market environment and calibrating its business based on its advanced risk assessment models.

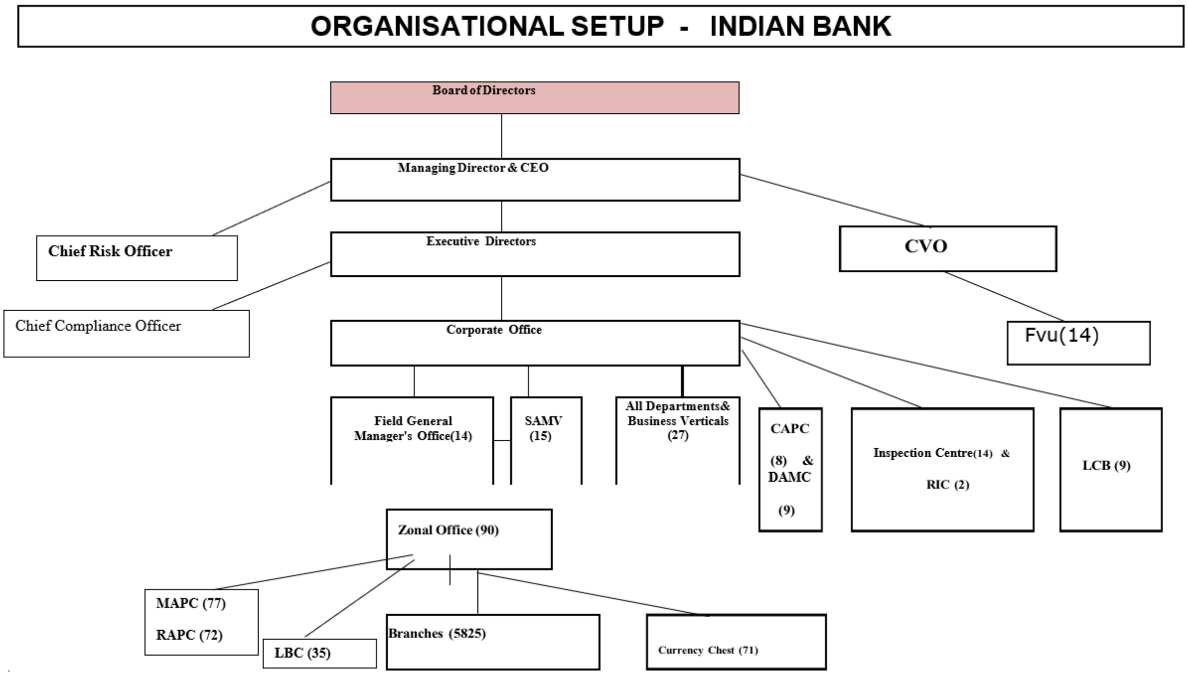
COVID-19 Impact

The severe economic downturn in the first two quarters of Fiscal 2021 did not result in a material increase in our non–performing assets ("**NPAs**") due to the RBI's 'COVID-19 Regulatory Packages', which were announced by the RBI on March 27, 2020, April 17, 2020 and May 23, 2020 (collectively, the "**COVID-19 Regulatory Packages**") and certain orders passed by the Supreme Court of India. Pursuant to the COVID-19 Regulatory Packages, lending institutions, including our Bank, were permitted to grant a moratorium of six months on the payment of all instalments and interest on term loans (including credit card dues) and working capital facilities falling due between March 1, 2020 and August 31, 2020. The moratorium period, wherever granted, in respect of term loans was excluded by the lending institution from the number of days past-due for the purpose of asset classification under the RBI's Income Recognition and Asset Classification norms in respect of all accounts classified as standard or as Special Mention Accounts ("**SMAs**") from February 29, 2020. Further, banks were allowed to convert the accumulated interest for the deferment period from March 1, 2020 to August 31, 2020 on working capital facilities into a funded interest term loan that will be repayable by March 31, 2021. The RBI's circulars in relation to the moratorium required us to make provisions of up to 10.00% on loans that are subject to the moratorium and that were overdue but standard as of February 29, 2020. The Bank, in accordance with the RBI norms, made available a moratorium to its borrowers until August 31, 2020.

For further information, see "*Risk Factors - COVID-19 had an adverse effect on our business, financial condition, results of operations and cash flows.*" on page 49.

Corporate and Organizational Structure

The organizational chart below shows the Bank's current corporate structure:



History

The Bank became a nationalized bank in 1969. As of the date of the Preliminary Placement Document, the Government of India owns 79.86% of the Bank's outstanding shares.

Banking Operations

Our principal banking operations are broadly categorized into four primary segments and two secondary segments which are: (i) retail banking; (ii) corporate banking; (iii) MSME banking; (iv) agricultural banking; (v) international banking; and (vi) other banking services.

- **Retail Banking.** Our retail banking products comprise deposit products including savings, current, recurring, term and tax saving deposit arrangements. Our loan products are targeted primarily at individuals (salaried, self-employed professionals and other self-employed individuals) to meet their personal financial requirements, such as housing, vehicle, education, loan to pensioners and other personal requirements.

- **MSME Banking.** Our MSME banking operations include loans to enterprises engaged in manufacturing and service activities in the form of investment as well as working capital. The MSME sector is classified into three categories i.e., micro, small and medium enterprises depending on turnover and investment criteria.

- ***Agricultural Banking.*** Our agricultural banking operations cater to farmers and agri-entrepreneurs through various short, medium and/ or long-term products, including crop loans. We also offer specialized products for women, and self-help groups, i.e. individuals that operate as financial intermediaries in their respective underserved communities and offer a variety of schemes under our agricultural banking portfolio. To promote banking operations in underserved areas, we engage business correspondents who are local residents and are familiar with the service area, savings preference and fund requirements of the residents. As of September 30, 2023, we had 10,825 business correspondents engaged in mobilizing our banking business in rural areas.

- ***Corporate Banking.*** Our corporate banking operations primarily cater to the commercial requirements of private and public sector enterprises, large corporate groups and other financial institutions.

- ***International Banking.*** Our international banking division offers a wide range of products and services that cater to our NRI customer base, and to industrial enterprises engaged in import and export.

- ***Other Services.*** In addition to our primary banking operations, we also provide certain services on behalf of the central government and various state governments such as collection of taxes and pension disbursements. We also provide certain non-banking services including corporate agency services for distribution of life, general and health insurance products, distribution of mutual fund products, portfolio management services, depository participant services and merchant banking activities.

The following table sets forth certain information relating to our loan portfolio classified by our principal operational segments as of the dates indicated:

Particulars	**As of March 31,**						**As of September 30,**			
	2021		**2022**		**2023**		**2022**		**2023**	
	Amount (₹ Crore)	**Percentage of Total (%)**	**Amount (₹ Crore)**	**Percentage of Total (%)**	**Amount (₹ crore)**	**Percentage of Total (%)**	**Amount (₹ crore)**	**Percentage of Total (%)**	**Amount (₹ crore)**	**Percentage of Total (%)**
Retail advances	69,987.31	17.93	80,433.01	19.35	91,085.78	19.23	83,655.23	19.10	95,371.38	19.37
Agriculture advances	78,775.39	20.18	88,100.38	21.20	101,936.57	21.52	95,214.37	21.74	110,404.02	22.43
MSME advances	70,180.19	17.98	74,167.48	17.84	79,655.8	16.82	76,386.46	17.44	80,115.83	16.27
Corporate advances (including non-priority)	160,593.84	41.14	152,996.73	36.81	171,242.65	36.16	156,241.78	35.68	172,790.06	35.10
Overseas advances	10,780.23	2.76	19927.15	4.79	29,665.7	6.26	26,443.16	6.04	33,606.97	6.83
Total gross advance	**390,316.96**	**100.00%**	**415,624.75**	**100.00%**	**473,586.50**	**100.00%**	**437,941.00**	**100.00%**	**492,288.26**	**100.00%**

Retail Banking

The Retail, Agriculture and MSME sectors comprise a significant share of our Bank's domestic advances, constituting 62.33% of domestic advances as of September 30, 2023. As of September 30, 2023, advances to Retail, Agriculture and MSME sectors represented 20.79%, 24.07% and 17.47% of our domestic advances, respectively.

We believe that our diversified product mix is able to cater to customers across sectors including, corporate, retail, MSME and agriculture. As of September 30, 2023, corporate, retail, MSME and agriculture represented 35.10%, 19.37%, 16.27%, and 22.43%, respectively, of gross credit as of such date.

Retail credit has been our principal focus. We believe that retail credit has significant advantages including a better risk spread, higher yield and cross-selling opportunities. Our Bank's domestic retail advances, which comprises housing loans, vehicle loans, education loans, personal loans, and mortgage loans increased by ₹ 21,098.47 crore from ₹ 69,987.31 crore as of March 31, 2021 to ₹ 91,085.78 crore as of March 31, 2023 and were ₹ 83,655.23 crore as of September 30, 2022 and ₹ 95,371.38 crore as of September 30, 2023. In Fiscal 2021, 2022, 2023 and six months ended September 30, 2022 and September 30, 2023, advances in the retail segment (RAM) were ₹ 218,942.89 crore, ₹ 242,700.87 crore, ₹ 272,678.15 crore, ₹ 255,256.06 crore and ₹ 285,891.23 crore, respectively, accounting for 56.09%, 58.39%, 57.58%, 58.29% and 58.07% of gross credit, respectively. The ratio of retail deposits to total deposits in Fiscal 2021, 2022, 2023 and six months ended September 30, 2022 and September 30, 2023 was 85.20%, 81.22%, 81.16%, 81.18% and 80.56%, respectively. We believe that retail credit has significant advantages including a better risk spread, higher yield and cross-selling opportunities.

Over the years, we have developed a strong customer base, which has provided us with low cost of funding opportunities and has been a source of strength for our liability portfolio. A large portion of our domestic deposit base is retail and lower dependency on bulk deposits provides us with a deposit base with a lower concentration risk and increasing spread of our liability portfolio.

Our CASA ratio (domestic) decreased from 42.89% as of March 31, 2021 to 42.26% March 31, 2022 to 42.80% as of March 31, 2023 and was 41.55% and 41.37% as of September 30, 2022 and September 30, 2023, and our CASA ratio (global) decreased from 42.30% as of March 31, 2021 to 41.77% March 31, 2022 to 41.99% as of March 31, 2023 and was 40.94% and 40.11% as of September 30, 2022 and September 30, 2023. We believe that we are able to maintain a relatively low-cost funding base as compared to our competitors, by leveraging our strengths, expanding our base of retail savings and current deposits, carrying out government business, and increasing the free float generated by transaction services.

Retail banking is one of our core banking activities. Our retail banking operations include loan and deposit products targeted primarily at individuals (salaried, self-employed professionals and other self-employed individuals) for meeting their personal financial requirements. Our liability products to retail customers include saving accounts, current accounts, recurring deposits and other term deposits. These products are offered with certain variations as customized products to well-defined target groups such as professionals, entrepreneurs, students and salaried employees. We also offer other products and services such as debit cards, credit cards, electronic and digital payment channels. In addition, we market insurance solutions to our retail customers through strategic alliances entered into with various channel partners.

Our retail lending operations primarily consist of the following products: (i) housing loans; (ii) vehicle loans; (iii) jewel loans; (iv) education loans; and (v) other personal loans.

We believe that our strong focus on retail banking business enables us to reduce cost of funds by limiting our reliance on high cost volatile wholesale time deposits. Our focus on retail banking is also driven by a preference to balance our asset portfolio, increase yield on assets, leverage cross-selling opportunities as well as increase fee income opportunities.

Our Bank uses underwriting platforms and automated credit score cards driven by artificial intelligence and machine learning to provide quick decisions at the point of sale for retail products, such as housing loans, vehicle loans, jewel loans and education loans, etc. Such automated credit score cards go through numerous iterations and rigorous testing and take into account various facets of the retail applicant's background, including credit history, fraud probability, and demographic parameters.

Advances under our Bank's retail banking business were ₹ 69,987.31 crore as of March 31, 2021, ₹ 80,433.01 crore as of March 31, 2022, ₹91,085.78 crore as of March 31, 2023, ₹ 83,655.23 crore as of September 30, 2022 and ₹ 95,371.38 crore as of September 30, 2023, respectively. Our Bank's CASA comprising primarily of current and savings deposits, decreased from 42.89% as of March 31, 2021 to 42.80% as of March 31, 2023 and was 41.56% as of September 30, 2022 and 41.37% as of September 30, 2023. As a percentage of total deposits, retail term deposits (term core deposit) represented 42.36%, 38.97%, 38.38%, 39.64% and 39.22% as of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and September 30, 2023, respectively.

The following table sets forth details on the Bank's retail credit across segments as of the dates indicated:

Particulars	**As of March 31,**						**As of September 30,**			
	2021		**2022**		**2023**		**2022**		**2023**	
	Amount (₹ crore)	**Percentage of Total (%)**	**Amount (₹ crore)**	**Percentage of Total (%)**	**Amount (₹ crore)**	**Percentage of Total (%)**	**Amount (₹ crore)**	**Percentage of Total (%)**	**Amount (₹ crore)**	**Percentage of Total (%)**
Housing Loans	47,681.81	68.13	53,851.85	66.95	59,839.70	65.70	55,309.05	63.96	62,289.21	65.31
Vehicle Loans	3,648.44	5.21	4,198.01	5.22	5,377.37	5.90	4,625.03	5.53	6,291.27	6.60
Educational Loans	4,684.02	6.69	4,625.93	5.75	4,622.55	5.08	4,755.17	5.69	4,526.38	4.75
Other Personal Loans and Jewel Loans (non-priority)	13,973.04	19.97	17,757.22	22.08	21,246.16	23.32	18,965.98	24.82	22,264.52	23.34
Total retail loans	**69,987.31**	**100.00%**	**80,433.01**	**100.00%**	**91,085.78**	**100.00%**	**83,655.23**	**100.00%**	**95,371.38**	**100.00%**

Our total retail loans increased to ₹ 69,987.31 crore as of March 31, 2021, ₹ 80,433.01 crore as of March 31, 2022,

₹ 91,085.78 crore as of March 31, 2023, ₹ 83,655.23 crore as of September 30, 2022 and ₹ 95,371.38 crore as of September 30, 2023. Total retail loans consisted of (i) home loan (including mortgages) which increased from ₹ 47,681.81 crore as of March 31, 2021 to ₹ 53,851.85 crore as of March 31, 2022 to ₹ 59,839.70 crore as of March 31, 2023 and were ₹ 55,309.05 crore as of September 30, 2022 and ₹ 62,289.21 crore as of September 30, 2023, (ii) auto loans which increased from ₹ 3,648.47 crore as of March 31, 2021, ₹ 4,198.01 crore as of March 31, 2022, ₹ 5,377.37 crore as of March 31, 2023, ₹ 4,625.03 crore as of September 30, 2022 and ₹ 6,291.27 crore as of September 30, 2023, (iii) education loans which decreased from ₹ 4,684.02 crore as of March 31, 2021, ₹ 4,625.93 crore as of March 31, 2022, ₹ 4,622.55 crore as of March 31, 2023, ₹ 4,755.17 crore as of September 30, 2022 and ₹ 4,526.38 crore as of September 30, 2023; and (iv) other retail loans which increased from ₹ 13,973.04 crore as of March 31, 2021, ₹ 17,757.22 crore as of March 31, 2022, ₹ 21,246.16 crore as of March 31, 2023, ₹ 18,965.98 crore as of September 30, 2022 and ₹ 22,264.52 crore as of September 30, 2023.

Housing Loans

We offer housing loans to cater to various requirements of individuals ranging from purchase, construction, renovations and furnishing. We also offer loans for purchase of residential land at housing layouts covered by certain government schemes. Our housing loan offerings also extend to NRIs subject to certain employment conditions. Housing loans to NRIs are typically offered at floating interest rates with flexible repayment options such as through domestic or international sources. Products under our housing loan portfolio include 'IB Home Loan', to residents, 'IB Home Loan' to non-resident Indians, loans for purchase of house plots by residents and non-resident Indians, 'IB Home Improve', 'IB Home Enrich', 'IB Home Advantage', 'IB Home Loan Combo Package' and 'IB Home Loan Flexi'. 'IB Home Advantage' is offered as a combination of term loan and overdraft while IB Home Flexi' is offered as an overdraft. The IB Home Loan Combo package, offers IBVL, IBCLS, pension loan and IB Improve with better terms to home loan borrowers who maintain their home loan accounts in standard category.

Vehicle Loans

We offer a variety of loans under our vehicle loan portfolio, including new two-wheeler loans and new and used four-wheeler loans for personal purposes. We also have arrangements with certain vehicle manufacturers and dealers for financing public carrier vehicles and other commercial vehicles. These loans are usually secured by way of hypothecation of the vehicle for which the loan is advanced. Product provided under our vehicle loan portfolio is 'IB Vehicle Loan', 'IB Vehicle Loan Elite', 'IB Vehicle Premium', 'IBVL-Loan to purchase of Used Car', and 'IBVL-Loan to purchase of new Two Wheeler'.

Jewel Loans

We offer loans against pledge of gold ornaments for non-agricultural purposes including personal and business purposes. We do not provide such loans for speculative purposes. The amount of loan is typically determined based on the net weight of the ornament. Our product 'Jewel Loan Scheme (Non-Priority)' is available to all individuals. We provide overdraft facility against gold jewels and repo rate linked loan offering to individuals.

Education Loans

We offer financial support to eligible students for pursuing higher education as determined by the institution/ organization responsible for the educational course. We also offer loans for vocational education and training. We provide educational loans to individuals to attend courses in India and outside India that cover tuition fees and living expenses. We also provide certain subsidies to students belonging to economically weaker sections under our education loan schemes. Products under our educational loan portfolio includes 'IB Educational Loan' consisting 'IB Educational Loan – Premier Elite', 'IB Educational Loan – Premier Special', and 'IB Educational Loan – Premier' and 'IB Educational Loan – Others'. We also offer skill loan facility to individuals who intend to take up skill development courses.

Other Personal Loans

We offer loan schemes for assisting individuals to meet their various family and personal needs during their service or after retirement. We also offer loan for pensioners/ senior citizens. Personal loans are offered both as secured as well as unsecured loans. Products include 'IB Clean Loan', 'Ind Mortgage', 'Ind Reverse Mortgage', 'IB Rent Encash' and 'IB Pension Loan'.

We also have products targeted at specific professionals such as loan for medical professionals for funding establishment of clinics, nursing homes, laboratories and purchasing medical equipment, and loans for eligible traders and trading enterprises.

The Bank in a consortium along with Small Industries Development Bank of India and four other public sector banks invested in a fintech company, M/S Online PSB Loans Limited for developing a contactless banking platform, 'PSBLOANSIN59minutes.com'. The objective of the platform is automating the loan making process for the MSME industry. Through this platform the Bank has accorded approval for 1,927 MSME loans amounting to ₹ 584.71 crore as on September 30, 2023.

Corporate Banking

Our corporate banking business caters to the business needs of varied enterprises and corporate entities both in the public and private sector, ranging from large corporates, multi-national corporates and other financial institutions. Our corporate banking loans include fund based and non-fund based products, of which the fund based products consist of term loans as well as working capital facilities. We also offer infrastructure/ project finance, trade loans, bridge financing and foreign currency loans. We also provide financing to corporates through the syndication of loans.

We have also strategically established branches in commercial areas to attract and exclusively cater to the credit requirements of corporate clients. These branches play a key role in developing our corporate and wholesale lending business.

The core focus of our corporate banking business has been to acquire quality customers on a consistent basis, delivering customized solutions through efficient technology platforms supported by quality customer service. We also endeavour to provide value addition through cross-sales of our wide range of products and services. Our corporate banking segment focuses on building a strong franchise with quality customers. We target mid-corporates, public sector undertakings and capital and bond market clients in this segment. Our mid-market strategy is driven by targeted client acquisitions and our efforts to position ourselves as a preferred banker to the mid-market corporations. In order to manage our exposure to specific industries, we have implemented exposure limits for various industries, which we review periodically based on industry performance.

The services we provide to our corporate clients include loan syndication, collection and payment services such as salary disbursement and payroll management services, multi-city check collection, ECS debit facilities, issuing of bulk demand drafts, and payment of statutory payments including taxes, compliance fees.

Advances under the Bank's corporate banking business as of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and September 30, 2023, was ₹ 160,593.84 crore, ₹ 152,996.73 crore, ₹ 171,242.65 crore, ₹ 156,241.78 crore and ₹ 172,790.06 crore, respectively.

MSME Banking

In this business segment, our products include loans to Micro, Small and Medium Enterprises involved in manufacturing and service/ trade activities. These products include loans for capital investment as well as working capital loans. We have strategically focused on developing our MSME business to ensure diversity in our customer base. We believe that the MSME segment has inherent diversified credit risk profiles, offer comparatively higher yields for banking products, provide opportunities to expand associated business and cross-selling opportunities, typically involve a higher degree of secured/collateralized loans, and provide an expansive geographic spread. We believe that our focus on MSME customers has enabled us to improve our CASA ratios while meeting various priority sector lending targets. We have also partnered with the Small Industries Development Bank of India ("**SIDBI**") through a memorandum of understanding dated November 30, 2020 to use its asset restructuring module for MSME borrowers. This module enables the MSMEs to prepare their restructuring proposals / financial viability assessments by themselves and submit it to the Bank. This module is available free of cost.

In addition to setting up of specialized branches to ensure focused attention on this sector, we have developed a wide range of tailor made products and customized services to cater to the specific needs of certain industries, including for enterprises engaged in the healthcare, textile / hosiery sector, ceramic, timber processing and pharmaceutical sectors. We also offer loans to entrepreneurs under this segment to set-up commercial space. These loans are usually secured by way of hypothecation of stocks, book debts, plant and machinery. Products under our MSME loan portfolio include 'IB Pure Jal Dhara' to set up RO water kiosks, 'IND SME E Vaahan' for purchase of electric vehicles, 'IND SME Ease' for working capital loan for MSMEs, where the assessment is based on turnover reported in GST returns, 'IND Surya Shakti' for setting up solar power plants and 'IB Standby WC facility' for credit facilities to meet the liquidity crisis faced by MSMEs due to delayed receivables during Fiscal 2019. During Fiscal 2020, we launched COVID emergency loans, subordinate debt for stressed MSMEs, 'PMSVANidhi' for street vendors and 'IND Spring Board' for financing start-ups. Key initiatives during Fiscal 2021 include introduction of MSME Prerana – Business mentoring programme to provide financial literacy in basic accounting and Government/ Bank schemes to MSMEs. We have recently launched products such as 'MSME LAP' for loan against property and 'IND GST Advantage' for cash-flow based digital lending to existing business units.

Growth in MSME advances were driven by growth in credit to medium enterprises, primarily on account of the Amalgamation increasing from ₹ 70,180.19 crore as of March 31, 2021, ₹ 74,167.48 crore as of March 31, 2022, ₹ 79,655.80 crore as of March 31, 2023, ₹76,386.46 crore as of September 30, 2022 and ₹ 80,115.83 crore as of September 30, 2023, respectively. Total MSME loans consisted of (i) micro loans which increased from ₹ 29,303.26 crore as of March 31, 2021, ₹ 30,648.15 crore as of March 31, 2022, ₹ 34,160.49 crore as of March 31, 2023, ₹ 31,579.30 crore as of September 30, 2022 and ₹ 35,782.86 crore as of September 30, 2023, respectively, (ii) small loans which increased from ₹ 30,441.52 crore as of March 31, 2021, ₹32,176.09 crore as of March 31, 2022, ₹ 33,813.75 crore as of March 31, 2023, ₹33,063.13 crore as of September 30, 2022 and ₹ 33,091.83 crore as of September 30, 2023, respectively, and (iii) medium loans which increased from ₹ 10,435.42 crore as of March 31, 2021, ₹ 11,343.24 crore as of March 31, 2022, ₹ 11,681.56 crore as of March 31, 2023, ₹ 11,744.03 crore as of September 30, 2022 and ₹ 11,241.14 crore as of September 30, 2023, respectively.

Agricultural Banking

Our Agricultural banking unit caters to credit needs of farmers for taking up various Agriculture and Allied activities such as setting up storage space for produce, avoiding distress sale of crops, supplementing existing agricultural infrastructure. The short-term crop cultivation credit needs of farmers are met by our Rupay Kisan Card Scheme, which is a farmer friendly flexible credit product. We also offer a wide range of loan products under agricultural term loans for construction of warehouses / godowns, cold storage units, purchase of farm equipment like tractors, threshers, harvesters and solar pumps. We have adopted an area-based approach for our agricultural banking activities, targeted to meet specific requirements of specialized agro-based industries, such as rice mills, dhal mills, seed processing industries, oil mills, tea, poultry and pisciculture. We also offer specific products to Farmers Producer companies for pursuing various Agriculture and Allied activities.

We also finance requirements of certain specific agricultural activities including providing short term credit to paddy and sugarcane growers in certain regions, and rice mills, which are presently included under our agricultural portfolio. As part of agricultural banking, we also provide short term loans to farmers against their produce, i.e., produce pledged loans to tide over low market prices and to sell the same when prices improve.

We also lend to low income financial intermediary committees, Self-Help Groups, and joint liability groups under our agriculture banking operations, which have been effective credit delivery routes to access the rural and urban population. Our association with self-help groups has also been recognised through various awards, including "*Best Performing Bank in Tamil Nadu by NABARD for SHG-Bank Linkage*" of Fiscal 2022.

This business segment enables us to meet our priority sector lending targets/ sub targets as required under applicable RBI regulations.

Growth in agriculture advances were driven by higher growth in crop loan segment primarily on account of the Amalgamation with total agricultural loans increasing from ₹ 78,775.39 crore as of March 31, 2021, ₹ 88,100.38 crore as of March 31, 2022, ₹ 101,936.57 crore as of March 31, 2023, ₹ 95,214.37 crore as of September 30, 2022 and ₹ 110,404.02 crore as of September 30, 2023, respectively. Total agricultural loans consisted of (i) crop loans which increased from ₹ 64,897.81 crore as of March 31, 2021 to ₹ 69,051.34 crore as of March 31, 2022 to ₹ 77,893.68 crore as of March 31, 2023 and were ₹ 72,200.29 crore and ₹ 84,725.57 crore, respectively as of September 30, 2022 and September 30, 2023, respectively, (ii) investment credit which increased from ₹ 6,327.11 crore as of March 31, 2021 to ₹ 9,241.02 crore as of March 31, 2022 to ₹ 11,979.94 crore as of March 31, 2023 and were ₹ 11,250.74 crore and ₹ 12,450.44 crore, respectively as of September 30, 2022 and September 30, 2023 and (iii) other agricultural loans which increased from ₹ 7,550.47 crore as of March 31, 2021 to ₹ 9,808.02 crore as of March 31, 2022 to ₹ 12,062.95 crore as of March 31, 2023 and were ₹ 11,763.34 crore and ₹ 13,228.01 crore, respectively as of September 30, 2022 and September 30, 2023.

International Banking

Our international operations are carried out by our foreign branches. As of September 30, 2023, we have a branch in Singapore and two branches in Sri Lanka at Colombo and Jaffna and a branch in IFSC Gift City, Gandhinagar, Gujarat, India. Our Singapore branch offers wide range of products. The branch has a domestic banking unit for business in Singapore Dollars, and an Asian currency unit for conducting business in other currencies. Our branch in Colombo, Sri Lanka, provides trade finance to our customers in the region. Our branch in Jaffna, Sri Lanka, is mainly involved in financing development activities that are carried out in that region. Our Gift City IFSC Banking Unit commenced its operations in December 2019 in Gandhinagar, Gujarat and is now a fully operational unit catering to the needs of corporate customers. The active asset portfolio includes external commercial borrowings in the form of syndicated term loans and buyer's credit backed by letters of credit.

As of September 30, 2023, we had over 3.26 lakhs accounts comprising our NRI customers with an aggregate deposit amounting to ₹ 13,271.88 crore. Advances under the Bank's international operations as of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and September 30, 2023, was ₹ 10,780.23 crore, ₹ 19,927.14 crore, ₹ 29,665.69 crore, ₹ 26,443.16 crore and ₹ 33,606.95 crore, respectively.

Other Banking Services

Government Business

In addition to our primary banking operations discussed above, we also provide certain services to the GoI and to State Governments. In particular, we act as the agency bank for collection of direct taxes, indirect taxes, public provident fund, senior citizens saving scheme and GoI bonds through designated branches. We are authorized to disburse pensions to central government pensioners and certain state government pensioners. Disbursement of pensions is done at other locations as per the authorization by government authorities from time to time.

Bancassurance

We provide bancassurance services through corporate agencies for distribution of (i) life insurance products; (ii) general insurance products; and (iii) health insurance products. We also distribute Government insurance schemes such as Pradhan Mantri Jeevan Jyoti Bima Yojana (for life insurance coverage) and Pradhan Mantri Suraksha Bima Yojana (for accidental death or disability) through our branches. We earn commissions from the distribution of such insurance products. As of September 30, 2023, we had 1,410 IRDAI qualified persons in our branches. In Fiscal 2023 and six months ended September 30, 2023, through the corporate agencies we collected a premium of ₹ 812.17 crore and ₹ 399.41 crore from our life insurance products and ₹ 139.16 crore and ₹ 61.64 crore from general insurance products and collected a premium of ₹ 65.75 crore and ₹ 35.39 crore from health insurance products for the same period, respectively. In Fiscal 2023 and six months ended September 30, 2023, we earned a commission of ₹ 100.37 crore and ₹ 49.38 crore, from life insurance products and ₹ 29.42 crore and ₹ 13.95 crore, from non-life insurance (general and health) products.

Fee-Based Products and Services

Through our distribution network, we offer various fee-based products including Government of India savings bonds, sovereign gold bonds and insurance policies. We offer several card-based products such as credit cards, debit cards, prepaid cards, travel cards and commercial cards. We also distribute a variety of mutual fund products. We levy services charges on deposit accounts. We also offer foreign exchange products to retail customers including sale of currency notes, travellers' cheques and travel cards We also offer fee-based services, such as cash management and remittance services. Our cash management services include electronic clearing system debit mandate and cheque clearing services for our corporate customers.

Other Services

In addition to the other banking services described above, we undertake certain other services such as depository services and offer ASBA facility. As a self-certified syndicate bank, we offer ASBA facility pursuant to our registration with SEBI as a banker to an issue.

Further, through our subsidiaries Indbank Merchant Banking Services Limited, we carry out certain merchant banking activities.

Deposits

Our retail deposit products include the following:

Term deposits: We accept term deposits (also known as fixed deposits or time deposits) giving a fixed return. Such deposits can be withdrawn before maturity in accordance with applicable rates by paying penalties. Term deposits include recurring deposits, which enable the customer to make deposits over a fixed term at regular intervals. We also offer loan/overdraft facility against the term deposits to our customers. Term deposits provide us with a cost efficient and stable funding source and remain a key focus area for us.

Savings accounts: We offer savings accounts, which are interest bearing on-demand deposit accounts designed primarily for individuals.

Current Accounts: We also offer current accounts which are non-interest-bearing accounts, designed primarily for businesses. Customers have a choice of regular and premium product offerings with different minimum average quarterly account balance requirements.

For further information on our deposits, see "*Management Discussion and Analysis on Financial Condition and Results of Operations*" on page 95. We take deposits from individuals, business enterprises, large public sector corporations, government organizations, other banks and private sector companies. We take Indian Rupee or foreign currency denominated deposits and offer fixed interest rates.

In addition to our conventional deposit products, we offer a variety of special value-added products and services thereby increasing product offerings and providing greater convenience of customers, such as higher rate deposit accounts for senior citizens.

Treasury Operations

Our treasury operations consist of managing our funds and liquidity, investing in debt and equity products and maintaining required regulatory reserves. We also have a proprietary trading book in debt/equity and foreign exchange within the framework of our treasury policy. Our treasury operations also include a range of products and services for corporate and commercial customers such as forward contracts, interest rate and currency swaps and foreign exchange products and services. Treasury maintains the statutory reserves of cash reserve ratio ("**CRR**") and statutory liquidity ratio ("**SLR**") prescribed by RBI, meets our short term liquidity requirements in domestic and foreign currencies effectively, manages our SLR and Non–SLR investment book, trades in interest rate, equity and forex instruments, utilizes arbitrage opportunities available across markets and also provides crucial market related inputs in our asset liability management.

Under the RBI's SLR requirement, as of September 30, 2023, we are required to maintain an amount equal to at least 18% of our demand and time liabilities in approved securities such as central and state government securities and other approved securities. As of March 31, 2023 and as of September 30, 2023, SLR securities consisted of 26.60% and 26.37% of our demand and time liabilities, respectively, as compared to 32.01% and 25.29% as of March 31, 2022 and as of September 30, 2022. Under the RBI's CRR requirements, as of September 30, 2023, our Bank is required to maintain a minimum of 3.50% of our Bank's eligible demand and time liabilities in a current account with the RBI. As of September 30, 2023, 4.45% of our Bank's net demand and time liabilities were maintained in current accounts with the RBI. The RBI pays no interest on these cash reserves. For further information on our CRR and SLR requirements, see *"Industry Overview"* and *"Selected Statistical Information"* on pages 160 and 122, respectively.

Our treasury operations are the focal point for the management of our market risk. We undertake liquidity management by seeking to maintain an optimum level of liquidity while complying with SLR and CRR. Treasury conducts its operations in accordance with the Board approved investment policy which sets limits, controls, accounting policies and general guidelines for the treasury operations, including the parameters of investments in securities. Our investment portfolio is managed with a view to capitalize on the market movements in interest rates and credit spread, to maintain a balanced portfolio, to minimise risk, to ensure deployment of surplus cash in securities at attractive yields while maintaining adequate liquidity. The overall objective of treasury activities is to earn optimal return on deployed investments and to minimize credit risks assumed in its investment/trading activities.

The following table gives details of our Bank's domestic investment portfolio as of the dates indicated:

Particulars	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(crore)				
Held to Maturity	127,975.51	136,462.81	142,332.76	138,928.92	146,738.37
Available for sale	51,594.92	41,930.78	45,457.34	44,986.71	56,278.87
Held for Trading	-	41.28	91.98	395.79	543.01
Total	**179,570.43**	**178,434.88**	**187,882.08**	**184,311.42**	**203,560.24**

Directed Lending Requirements

The Master Direction - Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, dated September 4, 2020, updated as of July 27, 2023 sets out the broad policy in relation to priority sector lending ("**PSL**"). In accordance with this circular, the priority sectors for all scheduled banks include: (i) agriculture; (ii) MSMEs; (iii) export credit; (iv) education; (v) housing; (vi) social infrastructure; (vii) renewable energy and (viii) others. Under the master direction, the priority sector lending targets are linked to adjusted net bank credit as defined ("**ANBC**") or credit equivalent amount of off-balance sheet exposure ("**CEOBE"**), whichever is higher, as of the corresponding date of the preceding year. Currently, the total priority sector lending target for domestic banks is 40.00% of ANBC or CEOBE, whichever is higher. It also prescribed sub-targets for agriculture, micro-enterprises and weaker sections.

In the case of non-achievement of priority sector lending targets, including sub-targets, we are required to invest in the Rural Infrastructure Development Fund established with NABARD and other government directed funds as decided by the RBI from time to time. The amount to be deposited, interest rates on such deposits and periods of deposits, and other terms, are determined by the RBI from time to time. We report priority sector loans to the RBI on a quarterly basis. Pursuant to the RBI guidelines, at least 18.00% of the ANBC or ECOBE, whichever is higher, is required to be provided to the agriculture sector, within priority sector lending requirements, out of which a target of 10 per cent is prescribed for Small and Marginal Farmers ("**SMFs**"). Our Bank has consistently achieved all the mandatory targets under priority sector lending

For further information on our priority sector lending requirements, see *"Industry Overview"* and "*Risk Factors – The banking industry in India is subject to extensive regulation and significant changes in the banking regulations may adversely affect our business and our future financial performance"* on pages 160 and 49, respectively.

Risk Management

The Bank's risk management function is carried out by a dedicated department responsible for this activity. We have set up a robust risk management framework which is focused towards ensuring that capital is used efficiently. Our risk management functions are divided on the basis of the principal risks defined under applicable Basel III guidelines, i.e. credit risk, market risk, operational risk and liquidity risk. These risks are managed through three committees: (i) Credit Risk Management Committee; (ii) Asset and Liabilities Management Committee; and (iii) Operational Risk Management Committee.

Credit Risk

Risk management systems have been established to identify and analyze risks at a relatively early stage. Management of these risks is governed by prudential limits and other corrective measures factored in to meet the changing risk environment. In order to limit the magnitude of credit risk and concentration risk, a limit framework is also set out for certain types of exposures including single and group borrower exposure, sensitive sector exposure and unsecured exposure. These exposure limits are monitored on a regular basis.

We have also established a comprehensive risk rating/ scoring system to support credit approvals and decision making as well as to enhance risk management capabilities for portfolio management, pricing and risk-based capital measurement. Software driven rating mechanism assigns the rating in addition to the entry level scoring system, and this rating model has also been reviewed by an external agency. The output of the rating model is used in decision making i.e., sanction, pricing and monitoring of credit portfolio. We have evolved separate risk scoring models for housing and other retail lending sectors. In addition, Standard Assets Monitoring Committee reviews the Special Mention Accounts periodically to initiate timely action to prevent slippage of standard assets to non-performing assets. As a part of monitoring mechanism, accounts which are downgraded from investment category are identified and monitored closely on quarterly basis.

Credit assessment in Bank is based on various benchmarks as prescribed in the credit policy of the Bank, as such the underwriting process became robust with compliance of strict guideline in credit policy and credit risk management policy of the Bank. Our internal rating models are robust which throws stringent rating as compared to the external rating agency. Apart from the credit appraisal and internal rating, Bank has a specific Credit Review Assessment model for risk assessment of corporate credit proposals of Rs. 50 Cr & above and in case of MSME proposals for ₹ 10 crore and above. The credit review process involves risk categorization of the credit proposal (enhancement / fresh proposal) into low risk / medium risk / high risk / no-go based upon quantified risk scoring matrices on analyzing the risk factors embedded in seven broad parameters namely Borrower, promoter and group entities, activity/industry, security coverage, conduct of facilities, ratings and compliance position.

Asset Liability Management

Asset Liability Management ("**ALM**") enables measuring and monitoring risk exposures which may arise from both liquidity risk and interest rate risk. This allows us to formulate strategies for asset liability management. The ALM framework regulates liquidity risk management, interest rate risk management, stress testing and contingency funding plan. Our ALM policy has been formulated with a short-term and a long-term objective. ALM is monitored by our Asset Liability Management Committee ("**ALCO**") which operated under the supervision of the Board, and meets regularly to review interest rate, product pricing and other financial metrics of the Bank.

Liquidity risk is measured and monitored through a flow approach by monitoring cash flows and a stock approach by reviewing various balance sheet ratios. The compliance of ratios to the prescribed limits reflects effective management of liquidity.

Interest rate risk is measured and monitored currency wise, both traditional gap approach and duration gap approaches are followed by analyzing short-term impacts on net interest margins and examining earnings at risk. The long-term impact of interest rate movements on market value of equity is also worked out through the duration gap approach. The monthly interest rate sensitivity statement, monthly liquidity coverage ratio statement and quarterly Net Stable Funding Ratio are reviewed by ALCO.

Market Risk

Market risk is the possibility of loss caused by changes in the market variables. It is the risk to the Bank's earnings and capital due to changes in the market level of interest rates or prices of securities, foreign exchange and equities, as well as the volatilities in these parameters. The objective of market risk management is to assist the business units in maximizing the risk adjusted rate of return by providing analytics driven inputs regarding market risk exposures, portfolio performance versus risk exposures and comparable benchmarks. Our market risk framework regulates risk identification, risk measurement and limits, risk monitoring and risk reporting.

Various statistical and non-statistical risk measures are used to enhance the stability of risk measurement of market risk to derive a comprehensive view of market risk exposure. Market risk is managed with parameters including Value at Risk ("**VaR**"), Earnings at Risk, modified duration, Individual Gap Limit ("**IGL**) and Aggregate Gap Limit ("**AGL**"). Risk monitoring is carried out by imposing risk limits on our trading books determined by economic conditions, business strategies and based on management experience and the Bank's risk appetite. Our mid-office closely monitors the treasury transactions on a continuous basis to monitor compliance and also suggests certain corrective actions if necessary. The risk reporting mechanism in the Bank comprises disclosures and reporting to management committees.

Operational Risk

Operational risk management framework is established to effectively identify, measure, manage and address operational risks. Operational risk is managed through qualitative and quantitative methods, established internal control systems in management processes and by adopting various risk mitigating strategies. The risk perceptions in various products/ processes are critically analysed and corrective actions if required, are initiated. We use an in-house portal for conducting Risk and Control Self-Assessment ("**RCSA**") exercise, to identify key operational risks and assess the degree of effectiveness of the internal controls. An in-house portal is used for monitoring key risk indicators which act as an early warning signals to enable management in monitoring and mitigating potential vulnerabilities that are reaching beyond acceptable levels. The Bank has implemented a structured mechanism so that the key operational risks tied to new product are identified and assessed at the time of approval and appropriate risk mitigation measures are discussed and advised to the business owners for managing such risks prior to launch of product. Risk Officers are posted in all the Zonal Offices / Field General Manager Offices who will spread risk culture and improve risk sensitization by creating awareness on operational risk issues across the Bank, trickling down to the grass root of organizational structure.

Internal Capital Adequacy Assessment ("ICAAP") Framework

Under the Basel framework, the Bank identifies measures and manages the risks that are either not fully captured or not at all captured and if necessary, makes an additional allocation of capital for such risks. Internal capital adequacy of the Bank was assessed on half yearly basis.

Risk Classification

The RBI requires all Indian banks to classify their credit transactions in accordance with their level of risk, and the criteria the Bank uses to classify loans in its portfolio correspond to those established by the RBI. All of the Bank's wholesale banking business customers receive a risk classification, and each loan granted to each client also receives a risk classification, depending on the risk level of the transaction and the amount the Bank receives as collateral. Classifications are determined by the loan type and amount of collateral to be received and spread to be applied. All transactions are confirmed by the Bank's back-office, which confirms the limits and receipt of all relevant documentation. The Bank uses credit and behavior scoring models to determine the volume of credit that it will grant and to establish its credit limits. The Bank's credit policy is implemented through its system, providing for individual analysis based on the client's profile and allowing for the differentiation of interest rates, based on the client's credit risk profile. The Bank's credit policy and scoring models are reviewed periodically, based on estimated performance and non-performance credit indicators.

Set out below are external ratings distribution of domestic advances above ₹ 10 crore for Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023:

Particulars	**Fiscal**			**For the six months ended September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
	(% of total)				
AAA	15.20%	15.57%	18.47%	15.43%	17.61%
AA	24.12%	27.53%	28.81%	28.51%	29.66%
A	21.95%	25.35%	27.22%	25.36%	27.91%
BBB	18.51%	16.82%	15.33%	17.53%	14.89%
BB and below	20.22%	14.72%	10.17%	13.16%	9.93%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

76% of our rated book is rated A and above and 90% of our rated book is above investment grade (BBB and above) as of September 30, 2023. This indicates a stable and quality asset book.

Set out below are unrated credit exposure for Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023:

Unrated Credit Exposure Sector	**Fiscal**			**For the six months ended September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
	(% of total)				
PSU with Government guarantee	61.22%	62.41%	56.32%	61.56%	60.46%
PSU without Government guarantee	18.39%	23.96%	24.87%	19.07%	18.79%
Others	20.39%	13.63%	18.81%	19.37%	20.75%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Out of the total unrated segment, 79.25% of the exposure is in the PSU sector, as of September 30, 2023. Of this, 60.46% exposure is to PSUs with government guarantee, implying a high degree of safety.

Exposure to NBFC sector

Our exposure to NBFCs is ₹ 66,365.94 crore as of September 30, 2023. Set out below is the Bank's exposure to NBFCs for Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023:

Exposure Sector	**Fiscal**			**Six months ended September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
	(% of total)				
NBFC - PSUs	10.44%	9.46%	9.20%	10.64%	7.59%
NBFC - HFC	39.42%	41.81%	36.71%	39.24%	37.52%
NBFC – MFIs	**3.53%**	**4.55%**	**3.18%**	3.63%	2.87%
NBFC – Others	46.61%	44.18%	50.91%	46.49%	52.02%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

37.52% of NBFC exposure is towards HFCs which are highly stable.

99.58% of the standard NBFC exposure of the Bank is rated A or above indicating high degree of safety. 47.76% is rated AAA, 43.17% is rated AA, 8.65% is rated A, 0.42% is rated BBB and 0.00% is rated BB and below for the six months ended September 30, 2023.

97.32% of the Bank's exposure to HFC NBFCs is rated AA or above. 61.06% is rated AAA, 36.25% is rated AA and 2.68% is rated A and below for the six months ended September 30, 2023.

Exposure and provisioning for NCLT accounts

We have adequate provisions in place for exposure to NCLT accounts. Our Bank has an overall provisioning coverage ratio of 100.00% towards NCLT accounts.

The Bank has a total exposure of ₹ 23,408.42 crore to NCLT accounts, with ₹ 1,399.63 crore to RBI List I, ₹ 2,854.31 crore to RBI List II accounts, ₹ 1,328.43 crore to accounts filed by the Bank and ₹ 17,826.04 crore to accounts filed by other banks.

Capital Adequacy and Liquidity Coverage

As of September 30, 2023, our Bank's capital adequacy ratio under the RBI Basel III Capital Regulations was 15.53%. Regulatory capital and capital adequacy ratios calculated under Basel III as of the dates indicated, are as follows:

S No	**Particulars**	**As of September 30, 2023**
	Regulatory Capital	**(₹ crore)**
i.	Tier I capital	44,660.04
ii.	Tier II capital	10,271.09
iii.	**Total Capital**	54,931.13
	Regulatory Capital	**As % of Risk Weighted Assets**
(i)	Common Equity Tier I Ratio	9.57
(ii)	Capital Conservation Buffer (comprising Common Equity)	2.50
(iii)	Common Equity Tier I Ratio plus Capital Conservation Buffer (i)+(ii)	12.07
(iv)	Additional Tier I capital	0.56
(v)	Tier I capital adequacy ratio (i) +(iv)	10.13
(vi)	Tier II capital	2.90
(vii)	Total Capital Ratio (MTC) (v)+(vi)	13.03
(viii)	Total Capital Ratio plus Capital Conservation Buffer (vii)+(ii)	15.53

Quarterly average of daily liquidity coverage ratio ("**LCR**") was 147.55% as of March 31, 2023, compared to the minimum requisite LCR of 100% as of March 31, 2023. In addition, leverage ratio was 5.86% as of March 31, 2023, compared to the requisite RBI indicative ratio of 3.5%. As of September 30, 2023 LCR was 129.49% while leverage ratio was 5.66%.

Delivery Channels

As of September 30, 2023, we catered to our customer base of over 15 crore customers across metropolitan and rural areas through a range of delivery channels in order to enable them to access our products and services, including physical branches. In addition to our core banking solutions comprising branches and ATMs, our customers have access to select banking services offered through ATMs, internet banking and mobile banking.

The following table sets forth the number of our branches, ATMs and banking correspondents as of the dates indicated:

	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
Branches (including international)	6,007	5,732	5,787	5,728	5,819
ATMs (including bunch note acceptors)	4,925	4,925	4,929	4,825	4,866
Banking correspondents	9,161	9,657	10,750	10,256	10,825

Branch Network

As of September 30, 2023, we had 5,819 domestic branches across 28 States and 6 Union Territories in India, and 90 zonal offices with 21,511 touch points. In Fiscal 2023 and during the six months ended September 30, 2023, we had set-up 87 and 38 additional branches, respectively.

The following table sets forth the number of our domestic branches in metro, urban, semi-urban and rural locations (as classified by the RBI) as of the dates indicated:

Locations	As of March 31,						As of September 30, 2022		As of September 30, 2023	
	2021		2022		2023					
	Number	% of total	Number	% of total	Number	% of total	Number	% of total	Number	% of total
Metro	1,219	20.30	1,137	19.84	1,141	19.72	1,135	19.81	1,149	19.75
Urban	1,259	20.97	1,159	20.22	1,165	20.13	1,157	20.20	1,174	20.18
Semi-urban	1,588	26.45	1,498	26.13	1,517	26.21	1,496	26.12	1,522	26.16
Rural	1,938	32.28	1,938	33.81	1,964	33.92	1,940	33.87	1,974	33.92
Total	**6,004**	**100.00%**	**5,732**	**100.00%**	**5,787**	**100.00%**	**5,728**	**100.00%**	**5,819**	**100.00%**

The following table sets forth the number of our domestic branches classified on the basis of the regions as of September 30, 2023:

Geographic Region	Branches	
	Number	Percentage of total (%)
Central Region	1,417	24.38
Eastern Region	1,246	21.45
North Eastern Region	141	2.43
Northern Region	692	11.91
Southern Region	1,914	32.79
Western Region	409	7.04
Total	**5,819**	**100.00**

For further information on our region wise operations, see *"Selected Statistical Information"* on page 122.

The following table sets forth the number of branches and offices in each state/ Union Territory as of September 30, 2023:

State	No. of Branches	No. of Offices
Andaman & Nicobar	2	-
Andhra Pradesh	316	21
Arunachal Pradesh	3	-
Assam	114	9
Bihar	296	20
Chandigarh	10	8
Chhattisgarh	65	4

State	No. of Branches	No. of Offices
Dadra & Nagar Haveli/ Daman & Diu	2	-
Goa	8	
Gujarat	137	14
Haryana	143	9
Himachal Pradesh	24	-
Jammu / Kashmir	13	-
Jharkhand	161	9
Karnataka	158	15
Kerala	170	12
Madhya Pradesh	229	16
Maharashtra	262	30
Manipur	6	-
Meghalaya	4	-
Mizoram	1	-
Nagaland	7	-
National Capital Territory of Delhi	150	17
Odisha	197	18
Puducherry	35	4
Punjab	212	10
Rajasthan	140	7
Sikkim	2	-
Tamil Nadu	1,073	89
Telangana	162	12
Tripura	6	-
Uttar Pradesh	1,073	75
Uttarakhand	50	5
West Bengal	588	34
Total	**5,819**	**438**

ATMs/ Cash Recyclers

As of September 30, 2023, our Bank had 4,866 ATMs, of which 4,274 were located at our branches (on-site) and 592 were located off-site. Most of our ATMs function 24X7 and are located at various commercial establishments and at other convenient locations, offering our customers the convenience of facilities such as cash withdrawal, balance enquiry, mini statements of accounts and fund transfer. Our Bank opened 378 ATMs and 20 cash recyclers in Fiscal 2023 and during the six months ended September 30, 2023, respectively, across India. We also operate cash deposit machines and passbook kiosks.

We issue Visa, MasterCard and RuPay debit cards, which can be used on all our ATMs and other bank ATMs in India and at international ATMs. As of September 30, 2023, our Bank had issued 1.77 lakh credit cards and 3.32 crore debit cards across our customer base.

We have also introduced cash recyclers machines ("**CRs**") or bunch note acceptors ("**BNAs**") that can accept and dispense cash. As of September 30, 2023, we had 1,777 CDMs/ BNAs across India. We have also established 'e-lounges' across the country that house our ATMs and BNAs and are supported by secured passbook printers.

All debit cards issued by our Bank are interoperable debit cards and can be used in other bank ATMs both in India and internationally.

Cashless and Digital Channels

Credit Cards and Debit Cards

The Bank offers its customers a portfolio of credit cards in association with VISA and Rupay. The Bank also offers debit cards to its customers in association with VISA, Rupay and MasterCard. The Bank has been actively promoting debit card usage through its various promotional campaigns. The Bank has also released its INDOASIS App with debit card control. The Bank also offers interactive voice response, internet or mobile banking channels and by way of an SMS or call. All debit and credit cards issued by the Bank are EMV chip-enabled cards along with "PayWave" (Tap-n-Go) transaction facility.

Internet Banking

We believe our internet banking platform is the preferred channel for our customers. Our internet banking system 'Ind Net Banking' is available at www.indianbank.net.in and can be used seamlessly across laptops, mobiles or hand-held devices for online fund transfers, viewing account details, transferring funds to other bank accounts using RTGS/ NEFT facilities. In addition, various government agencies have established payment gateway integration with our internet banking application, enabling our customers to carry out activities such as purchase of railway tickets, payment of taxes, and clearing electricity dues online through Ind Net Banking. We have entered into several payment gateway integrations with merchants, educational institutes, GoI agencies and trading partners for facilitating of online payments. Goods and services tax registration numbers (GST numbers) may also be seeded in the Bank's records through an online facility equipped to generate GST invoices. Our Bank's registered internet banking user base has grown at a CAGR of 35.43% from March 31, 2021 to March 31, 2023. The number of registered internet banking users as of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and September 30, 2023, was 0.57 crore, 0.65 crore, 0.78 crore, 0.72 crore and 0.98 crore, respectively.

Mobile Banking

We commenced our mobile banking services and carry out these services through 'Ind Pay', an application that enables customers to undertake banking activities such as inter-bank mobile payments services, funds transfer through NEFT/IMPS, balance enquiry, mini statement, cheque book request and utility payments. Our Bank's registered mobile banking user base has grown at a CAGR of 106.93% from March 31, 2021 to March 31, 2023. The number of registered mobile banking users as of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and September 30, 2023, was 0.56 crore, 0.67 crore, 1.15 crore, 1.02 crore and 1.51 crore, respectively.

We also have a mobile application for customer service, known as the 'IND OASIS' that allows customers to register complaints, make suggestions, initiate loan requests through a mobile.

Unified Payment Interface

United Payment Interface ("**UPI**") is a system that powers multiple bank accounts into a single mobile application (of any participating bank), allows for immediate money transfer through mobile devices, and serves as a single mobile application for accessing different bank accounts. The money is received from a virtual payment address without entering additional bank details.

Financial Inclusion

Financial inclusion is part of a national scheme to deliver financial services to India's disadvantaged and low-income segments at an affordable cost. Business correspondents act as agents on our behalf and may accept deposits or make cash payments when customers deposit or withdraw money to or from their accounts at locations other than a traditional bank branch. As of September 30, 2023, 10,825 business correspondents provided banking services on our behalf.

Our chatbot "ADYA" provides timely response to customer queries which uses natural learning processing skills. We have also implemented technologies like data analytics, artificial intelligence, machine learning and blockchain technology as a tool for analysis and decision making and providing improved customer experience.

The following table sets forth the number of financial inclusion accounts opened and the amount of CASA deposits from financial inclusion customers as of the dates indicated:

Particulars	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
Financial inclusion (PMJDY) accounts opened (₹ crore)	1.79	1.85	2.05	1.92	2.15
CASA deposits from financial inclusion (PMJDY) customers (₹ crore)	6,778.74	7,608.65	9,342.26	7,850.65	9,726.78

Customer Base

The Bank's customer base is comprised of large and mid-sized corporates, MSMEs and individuals, and is highly fragmented. The Bank has recently sought to increase its focus on its retail operations.

The Bank's customer relationship is a significant aspect of the Bank's business model and is, therefore, one of the primary objectives of the Bank. The Bank strives to achieve this goal through regular interaction with customers and strengthening of relations, with the aim of increasing customer retention.

Although the Bank has a considerable customer base, it has a relatively high concentration of loans to certain borrowers, borrower groups and industry sectors. The Bank's loan portfolio is relatively concentrated in certain industries, the most significant of which are the NBFCs, other infrastructure and power sector amounting to ₹ 66,365.94 crore, ₹ 26,309.06 crore, and ₹ 25,601.37 crore, respectively. The Bank's aggregate fund based exposure to such borrowers amounted to 11.16%, 4.42%, and 4.31%, respectively, as of September 30, 2023. In addition, the Bank is also exposed to large loan concentrations with a few borrowers. As of September 30, 2023, the Bank's exposure as per Large Exposure Framework to its 10 largest individual borrowers amounted to 124.86%, of the Bank's Tier 1 Capital. The Bank's single largest borrower as per Large Exposure Framework as of March 31, 2023 had a loan balance representing 127.53% of the Bank's Tier 1 capital on such date.

For further information, see "*Selected Statistical Information - Concentration of Loans and Credit Substitutes*" on page 122 and "*Risk Factors – In the course of our operations, we are exposed to various categories of borrowers, depositors and industry sectors, and a default by any large borrower, premature withdrawal of deposits or a deterioration in the performance of any of these industry sectors in which we have significant exposure would adversely affect our results of operations, the quality of our portfolio and financial condition*" on page 49.

Competition

The banking industry in India is highly competitive and we face strong competition in all our principal lines of business. Our primary competitors are Government of India owned public sector banks, private sector banks, foreign banks with operations in India, co-operative banks, and for certain products, non-banking financial institutions, small finance banks, regional rural banks, payment banks and housing finance companies. Our competition primarily entails issues of variety, pricing and quality of products and services, convenience of banking facilities, reach of distribution network and brand recognition, as well as information technology capabilities. Recently, non-bank financial companies, particularly international technology companies including large e-commerce players, have been increasing their presence in the financial sector and offering payment platforms and select services.

An increase in operations of existing competitors or entry of additional banks offering a similar or a wider range of products and services could increase competition. In addition, the moderation of growth in the Indian banking sector is expected to lead to greater competition for business opportunities. The GoI is also actively encouraging banks and other financial institutions to significantly increase their lending to the agricultural sector, which will make this segment more competitive. The RBI has also released guidelines with respect to a continuous licensing policy for universal banks as compared to the earlier practice of intermittently issuing licenses, and has demonstrated an intention to allow the small finance banks to apply for universal banking license under this framework, which may result in greater competitive pressure.

The RBI has also indicated that it plans to give greater access to foreign banks in the Indian market. Because of which, we may also face increased competition from foreign banks if the Indian retail market is further liberalized or if regulations and restrictions upon branch network growth by foreign banks are simplified or reduced, foreign banks may operate in India by establishing wholly owned subsidiaries which are allowed to raise Rupee resources through issue of non-equity capital instruments. Further, under the foreign exchange regulations, an aggregate foreign investment of up to 49.00% under the automatic route, and 74.00% under the government approval route, in Indian private sector banks is allowed. For public sector banks, subject to the Banking Companies (Acquisition and Transfer of Undertakings) Act, foreign direct investment of up to 20.00% under the government approval route is permitted.

For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Competition"* on page 95.

Corporate banking

Our corporate banking products and services face competition from public sector banks, foreign banks, private sector banks and financial institutions in areas such as pricing, rupee loans, foreign currency loans, foreign exchange transactions, trade finance services and cash management services.

Retail Banking

Our retail banking products and services primarily face competition from public sector banks, small finance banks, housing finance companies, as well as existing and new private sector banks and foreign banks. Public sector banks have large deposit bases and wide distribution networks while foreign banks have significant presence among non-resident Indians and also compete for non-branch based products. In mutual fund sales and other investment related products, our principal competitors are brokers, foreign banks and other new private sector banks. We seek to compete with our competitors by offering a wide product portfolio through our extensive branch network and by leveraging our client relationships in diverse market and geographic segments.

Agriculture banking

Our principal competitors are large public sector banks and the regional rural banks, which have extensive physical presence in India and have traditionally focused on agriculture and priority sector lending.

Treasury Operations

We primarily face competition with respect to our treasury operations from foreign banks, private sector banks and public sector banks engaged in foreign exchange, derivatives and money market business.

For further information on our competition, see "*Industry Overview*" and "*Risk Factors - The Indian banking industry is very competitive and our growth strategy depends on its ability to compete effectively*" on page 160 and 49, respectively.

Information Technology

We have formed an Information Technology Strategy Committee for implementation of recommendations issued by the RBI in areas such as, information technology governance, information security, audit, information technology operations, information technology services outsourcing, cyber fraud, business continuity planning and customer awareness programmes. Accordingly, we have implemented several RBI-led technology projects designated to facilitate greater inter-bank connectivity and faster clearing and settlement. We have implemented Real Time Gross Settlement and National Electronic Funds Transfer ("**NEFT**") in all our branches.

We have adopted innovative technologies and processes to serve the changing requirements of our customers and to ensure efficient and accessible services to our customers through our diversified branch network and various platforms. All our branches and offices including our training centers are under the Core Banking Solutions ("**CBS**") Platform. CBS facilitates networking of branches, which enables customers to operate their accounts, and avail banking services from any of our branches on CBS network, regardless of where that customer maintains their account.

We undertake periodic disaster recovery drills by shifting our entire CBS operations to our disaster recovery site. We have installed all of our critical processes, such as, amongst others, lending automation system, management information system, document management system, loan monitoring system, GST invoice generation, demat, enterprise application integration and cash management service.

Our focus has also been on alternate delivery channels to effectively serve our customers, including through internet banking, mobile banking, immediate payment service and SMS banking facility. Our chatbox "ADYA" is a web based chatbot integrated with the Bank's website and available as an additional mobile-friendly customer interface for answering customer queries on the contents available on the Bank's website. The chatbot is built to understand banking queries in normal conversational language (currently English) by the customer. Facility to view account balance, apply loan, get information on Bank's products and services through guided menus functionality have also been introduced.

We also issue RuPay and Master card/Visa debit/prepaid and credit cards. We have implemented various support systems to cater to our customers and enhance their banking experiences. We have installed a unified payment interface. We use the Aadhaar enabled payment system which allows banks to authenticate customers using biometric verification with UIDAI. We provide inter-bank electronic fund transfer services via mobile phones, Immediate Mobile Payment Service and NEFT transactions for customers.

Intellectual Property Rights

As of September 30, 2023, we had registration of our "Indian Bank" trademark and the "Indian Bank" logo. These registrations are valid up to November 15, 2026.

Insurance

We maintain insurance cover for our assets and branches in accordance with industry practice, including insurance protection from fire and special perils, bankers indemnity policy and group personal accident policy for our employees. In addition, we have also secured group mediclaim policies for our permanent employees. See "*Risk Factors — Risk Relating to the Business of the Bank — Our insurance coverage may be inadequate to cover claims. If we incur substantial uninsured loss or loss that exceeds our insurance coverage, it could have a material adverse effect on our business, cash flows, results of operations and financial condition.*" on page on page 49.

Employees

As of September 30, 2023, we had 41,665 permanent employees. In addition, we have outsourced certain non-core activities to certain agencies. Set out below is a breakdown of the number of employees of the Bank by geography/ zone as of March 31, 2021, 2022 and 2023 and as of September 30, 2023:

Zone/ Corporate Office	As of March 31,			As of September 30, 2023
	2021*	2022	2023	
Agra	423	391	405	397
Ahmedabad	580	434	414	440
Amaravathi	338	344	368	356
Amritsar	520	358	360	363
Asansol	611	584	574	575
Bahraich	-	287	330	328
Barasat	578	513	511	494
Bengaluru	691	543	516	512
Berhampore	-	301	344	340
Berhampur	269	227	237	233
Bhagalpur	464	486	481	474
Bhopal	642	603	600	612
Bhubaneswar	585	383	372	384
Chandigarh	583	501	505	503
Chennai (North)	592	563	542	524
Chennai (South)	587	571	549	572
Chinsurah	521	325	321	333
Coimbatore	599	511	498	487
Corporate Office	2,787	2,984	3,040	3,072
Cuddalore	472	469	470	470
Cuttack	-	330	382	373
Dehradun	371	352	358	365
Delhi Central	754	585	602	600
Delhi South	683	513	508	502
Deoghar	524	541	534	524
Dibrugarh	436	409	431	423

Zone/ Corporate Office	As of March 31,			As of September 30, 2023
	2021*	2022	2023	
Ernakulam	315	308	323	320
Gaya	344	354	352	344
Gonda	493	431	453	464
Gorakhpur	525	483	512	511
Gurgaon	-	329	391	395
Guwahati	475	456	461	469
Hamirpur	435	414	434	446
Hubballi	347	238	281	277
Hyderabad	577	548	554	543
Jabalpur	419	392	421	408
Jaipur	488	446	473	475
Jalandhar	-	248	294	292
Jhansi	-	254	285	287
Kancheepuram	409	406	418	418
Kanpur	665	434	410	400
Karaikudi	453	323	331	339
Karimnagar	419	432	455	438
Karnal	636	406	405	411
Kolkata	-	671	592	599
Kolkata I	962	373	348	358
Kolkata II	548	294	325	318
Kozhikode	287	268	287	295
Krishnagiri	545	550	556	581
Kumbakonam	652	426	427	421
Lakhimpur Kheri	484	357	377	382
Lucknow	690	609	628	624
Ludhiana	580	469	454	441
Madurai	529	494	500	518
Meerut	482	470	491	492
Midnapore	485	452	444	432
Mirzapur	487	465	478	462
Moradabad	404	396	429	433
Mumbai South	627	487	452	447
Mumbai West	504	413	387	407
Muzaffarpur	538	556	527	501
Mysore	-	149	171	177
Nagapattinam	-	284	303	304
Nagpur	477	439	459	448
Noida	314	306	333	341
Patna	657	688	732	730
Poonamallee	475	461	496	480
Prayagraj	498	467	475	465

Zone/ Corporate Office	As of March 31,			As of September 30, 2023
	2021*	**2022**	**2023**	
Puducherry	471	450	478	485
Pune	517	469	438	440
Raipur	411	396	395	393
Rajahmundry	-	343	384	388
Rajkot	-	152	195	197
Ranchi	612	634	656	641
Salem	708	496	491	475
Sambalpur	410	245	259	255
Satna	474	455	485	451
Siliguri	559	385	375	378
Sitapur	593	343	375	375
Surat	379	262	259	278
Thiruvananthapuram	394	382	400	401
Tirunelveli	545	535	551	578
Tirupathi	535	537	558	550
Tiruppur	-	372	395	419
Tiruvannamalai	328	320	315	336
Trichy	440	471	457	451
Udaipur	395	359	381	380
Varanasi	536	514	552	536
Vellore	432	411	438	434
Vijayawada	569	362	355	357
Visakhapatnam	458	304	331	318
Total	**42,601**	**40,751**	**41,699**	**41,665**

* *Corporate Office includes deputation to external agencies, Grameen Bank, Overseas Branches, Subsidiaries, Training Centres , FGMO and specialised branches mapped under CO (CAPC, LCB, Corporate branches, DAMC, Inspection Centres, Indsetti, SAMV etc.)*

In addition to basic compensation, our employees are eligible for benefits from provident fund, pension plans, gratuity plans, housing loans at concessional rates, medical reimbursement, leave fare concession, group insurance cover and basic retirement benefits, including provident fund and gratuity for eligible employees, and special interest rates on deposits and certain other benefits that are approved by Board. We place significant emphasis on training our employees and providing regular and specialized training to enable them to effectively address regulatory and market developments in the banking and financial services industry.

Majority of our officers and employees are members of a recognized union or officers' association. We are party to negotiated agreements, in relation to salary, performance incentives and workforce flexibility, which are entered into at the industry level. We have not experienced a serious work stoppage or other form of labor action.

Properties

Our head office is located at 66, Rajaji Salai, Chennai – 600 001, Tamil Nadu, India and is owned by us. Our corporate office is located at 254-260, Avvai Shanumugam Salai, Chennai – 600 014 and is owned by us. As of September 30, 2023, we had 5,819 branches in India, two branches in Sri Lanka at Colombo and Jaffna and one branch in Singapore and IFSC branch in Gift City, Gandhi Nagar, Gujarat, India. As of September 30, 2023, most of our branches and representative offices are located on leased premises.

For more information on our branch network, see "*Our Business – Branch Network*" on page 175.

Awards and Certifications

Calendar Year	Award/ Recognition
2013 and 2014	Best Performing Public Sector Bank Award (for highest lending to Self Help Groups) awarded by the Hon'ble Chief Minister, Tamil Nadu, Selvi J Jayalalithaa
2015	Three awards during the 11th ASSOCHAM Annual Banking Summit for Social Banking Excellence Award for the year 2015 from Sri Jayant Sinha, Honourable Minister of State for Finance, Government of India
2016	Six SKOCH Technology Innovation Awards for Techno Products
2016	SKOCH Technology Innovation Award for IB SMART REMOTE mobile application.
2016	Master Card Award for best innovation-E-purse
2016	Runners up for "Best Social Bank" award at the ASSOCHAM Annual Business Summit Cum Social Banking Excellence Awards 2016 in the large bank category.
2017	NABARD prize for excellence in performance under the SHG-Bank Linkage Programme' in Tamil Nadu
2019	Indian Bank has been voted one of the most trusted brands in India by Reader's Digest under the 'Trusted Brands 2019'.
2020	First prize among PSBs for Excellence in performance under "SHG Bank Linkage Programme in Tamil Nadu" from NABARD
2020	India's Best Bank Award by Financial Express for Strength and Soundness
2020	Performance of Indian Bank in SHG lending in the State of West Bengal for Fiscal 2020 recognized by West Bengal State Rural Livelihood Mission during their inauguration ceremony of 16th Saras Mela held on December 23, 2020
2020	APY Premier League campaign – Our Bank achieved branch average of 16.45 and awarded runner up trophy by PFRDA, Government of India.
2020	'Makers of Excellence (ME) 4.0 - conducted exclusively for executive directors of banks. Our Bank achieved 187.39% in respect of sourcing of APY accounts and emerged first among major banks and was awarded by PFRDA, Government of India
2021	Best Performing Bank in SHG Bank Linkage by Ministry of Rural Development, Government of India
2021	State Level Best Bank under NABARD's SHG Bank Linkage Program - for Tamil Nadu State
2021	NABARD Award for the Best Financial Performance and Developmental Initiatives in Tamil Nadu State
2021	Second Best Performed Bank at National Level under PSBs by State Forum of Bankers Club (Kerala)
2022	Second Position in APY Enrolments for Fiscal 2022 from PFRDA, Government of India
2022	FINNOVITI Award for Technical Merger of Equals
2022	Best Bank at National Level Award by State Forum of Bankers Club (Kerala)
2023	Golden Peacock National Training Award-2023
2023	CGTMSE Achievement award in Best efforts for Information Dissemination
2023	BFSI Award 2023- one of the Best BFSI Brands by The Economic Times
2023	Mint W3 Awards for Company of the Year
2023	APY Award of Excellence by PFRDA for achieving 243% of Target in the state of Uttar Pradesh for Fiscal 2023

Material Contracts

The Bank and its subsidiaries are not substantially dependent on any contracts and have not entered into any material contracts outside the ordinary course of the Bank's business.

Legal Proceedings

The Bank is a party to various legal proceedings, including criminal cases, which are pending before various courts and other forums in the ordinary course of the Bank's business. Certain of these proceedings could, if adversely determined, have a material adverse effect on the Bank's financial condition or results of operations. For more information, see "*Legal Proceedings*" on page 293.

Corporate Social Responsibility Activities

Our CSR activities are primarily focused on initiatives relating to promoting education, promoting gender equality, employment generation and ensuring environmental sustainability. Our recent CSR activities were focused towards inclusive growth, financial literacy and enhancing vocational skills, green initiative and environmental sustainability, gender equality and women empowerment and contribution towards health and wellness, specific needs of the senior citizens. The CSR initiatives of the Bank were extended beyond banking and lead it to work towards nurturing communities, fostering health and cleanliness, supporting education and literacy beside protecting environment and natural habitats.

The following are example of our Bank's recent CSR initiatives and activities:

- an education tour to Delhi was arranged for meritorious students of government schools from five aspirational districts - two districts (Virudhunagar and Ramanathapuram) from Tamil Nadu and three districts (Visakhapatnam, YSR Kadappa and Vizhianagaram) from Andhra Pradesh;
- bespoke furniture was handover to Anandam Learning Center for special children in Chennai, Tamil Nadu; and
- contribution to Chief Minister's Relief Fund, Assam for flood relief.

Our Subsidiaries, Joint Venture and Associates

As of the date of this Placement Document, the Bank has two Subsidiaries, two Joint Venture and three Associates (including Regional Rural Banks). The Bank currently provides financial services through its non-banking Subsidiaries, Joint Ventures and Associates, including housing finance, merchant banking, assets and fund management and insurance.

The following table sets forth information relating to the Bank's Subsidiaries, Joint Venture and Associates:

Subsidiary/ Joint Venture/ Associates	**Business**	**Bank's Ownership Percentage (%)**
Subsidiaries		
Indbank Merchant Banking Services Limited	Merchant Banking	64.84%
Ind Bank Housing Limited(*)	Housing Finance	51.00%
Joint Ventures		
ASREC (India) Limited($)	Asset Management	38.26%
Universal Sompo General Insurance Company Limited	General Insurance	28.52%
Associates		
Puduvai Bharathiar Grama Bank	Regional Rural Bank	35.00%
Saptagiri Grameena Bank(#)	Regional Rural Bank	35.00%
Tamil Nadu Grama Bank(#)	Regional Rural Bank	35.00%

** Ind Bank Housing Limited has not been involved in any active business since and is a loss making entity having negative networth. The RBI pursuant to an order dated September 21, 2023 cancelled the certificate of registration granted by the NHB under the provisions of Section 29A of the National Housing Bank Act,1987 for carrying out housing finance business.*

$ Consequent upon amalgamation of erstwhile Allahabad Bank into the Bank, the stake of the Bank in ASREC became 38.26% with effect from April 1, 2022. While, as part of our monetization process, we tried to sell our stake, however, as the stake sale process has still not materialized, the RBI, on our request, recommended to Government of India for extension of said exemption up to March 31, 2025.

 # As part of ongoing consolidation of regional rural banks, Pallavan Grama Bank sponsored by our Bank and Pandvan Grama Bank sponsored by Indian Overseas Bank was amalgamated into Tamil Nadu Grama Bank and our Bank will be sponsor for the amalgamated entity. Similarly, Saptagiri Grameena Bank, Chaitanya Godavari Grameena Bank and AP Grameena Vikas Bank each sponsored by our Bank, Union Bank of India (erstwhile Andhra Bank) and State Bank of India, respectively, in the State of Andhra Pradesh will be amalgamated and our Bank will be the sponsor for the amalgamated entity. A no-objection certificate for the same is pending from the state government.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Our Bank has been constituted as a body corporate under the Banking Companies Act. In terms of the provisions of the Banking Companies Act, the general superintendence and direction of the affairs and business of our Bank is entrusted to the Board constituted as per the provisions of the Banking Companies Act, the Nationalised Banks Scheme and the Indian Bank Regulations.

As per sub-section 3 of section 9 of the Banking Companies Act, every board of directors of a corresponding new bank, constituted under any scheme made under sub-section 1 of section 9 of the Banking Companies Act is required to include:

- not more than five whole-time directors to be appointed by the Central Government after consultation with RBI;
- one director who is an official of the Central Government to be nominated by the Central Government; provided that no such director shall be a director of any other corresponding new bank;
- one director, possessing necessary expertise and experience in matters relating to regulation or supervision of commercial banks, to be nominated by the Central Government on the recommendation of RBI;
- one director, from among such of the employees who are workmen (as defined under clause (s) of section 2 of the Industrial Disputes Act, 1947) to be nominated by the Central Government;
- one director, from among the employees who are not workmen (as defined under clause (s) of section 2 of the Industrial Disputes Act, 1947) to be nominated by the Central Government after consultation with RBI;
- one director who has been a chartered accountant for not less than 15 years to be nominated by the Central Government after consultation with RBI;
- subject to directors elected by shareholders as provided under clause (i) of sub-section 3 of section 9 of the Banking Companies Act, not more than six directors to be nominated by the Central Government;and
- directors elected by shareholders of the bank (other than the Central Government) from amongst themselves where the capital raised by public issue or rights issue or by issue of bonus shares or preferential allotment or private placement, of equity shares or preference shares is:

    1. not more than 16.00% of the total paid-up capital, one director;
    2. more than 16.00% but not more than 32.00% of the total paid-up capital, two directors; and
    3. more than 32.00% of the total paid-up capital, three directors

As on the date of this Placement Document, we have eleven (11) directors on our Board. Our Board has five (5) Whole-Time Directors, out of which, one (1) is designated as the Managing Director and Chief Executive Officer, while four (4) directors are designated as the Executive Directors, Further, we have two (2) Non- Executive Nominee Director (one (1) Government of India Nominee Director and one is RBI Nominee Director), two (2) Part-time Non-Official Directors and two (2) Shareholder Directors on our Board. All Directors are appointed/nominated/elected pursuant to the Banking Companies Act, the Nationalized Banks Scheme and the Indian Bank Regulations.

As on the date of this Placement Document, the Board does not have the full strength as prescribed in the Banking Companies Act, as directorship under sections 9(3)(e) of the Banking Companies Act to be nominated by the Central Government, directorship each under sections 9(3)(f) and 9(3)(g) the Banking Companies Act, to be nominated by the Central Government in consultation with RBI; and directorship under section 9(3)(h) the Banking Companies Act, to be nominated by the Central Government are vacant;

Given that our Bank is a public sector undertaking, matters pertaining to, among others, appointment of our Directors are determined by the Government of India, Ministry of Finance or RBI except appointment of Shareholders' Directors under section 9(3)(i) of the Banking Companies Act. For further details please see "*Risk Factors - As on the date of this Placement Document, the composition of our Board and the composition of certain committees does not have the full strength as prescribed in the Banking Companies Act, SEBI Listing Regulations and Master RBI (Fit and Proper Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 dated August 2, 2019.*" beginning on page 49.

The following table sets forth details regarding our Board as on the date of this Placement Document:

Name, Occupation, Term, Nationality	Clause (as per Section 9(3) of the Banking Companies Act) under which appointed / nominated / elected	Age (years)	Designation
Shanti Lal Jain **Occupation**: Service **Term**: Three years with effect from the date of assumption of office that is September 1, 2021 or until further orders, whichever is earlier **Nationality**: Indian	Clause (a)	58	Managing Director and Chief Executive Officer
Imran Amin Siddiqui **Occupation**: Service **Term**: Three years with effect from the date of assumption of office that is March 10, 2021 or until further orders, whichever is earlier **Nationality**: Indian	Clause (a)	59	Executive Director
Mahesh Kumar Bajaj **Occupation**: Service **Term**: with effect from November 21, 2022 till the date of attaining the age of his superannuation i.e. June 30, 2025. **Nationality**: Indian	Clause (a)	58	Executive Director
Ashutosh Choudhury **Occupation**: Service **Term**: Three years with effect from the date of assumption of office that is May 3, 2023 or until further orders, whichever is earlier **Nationality**: Indian	Clause (a)	48	Executive Director
Shiv Bajrang Singh **Occupation**: Service **Term**: Three years with effect from the date of assumption of office that is October 9,2023 or until further orders, whichever is earlier **Nationality**: Indian	Clause (a)	56	Executive Director
Vishvesh Kumar Goel	Clause (h)	60	Part-time Non-Official

Name, Occupation, Term, Nationality	Clause (as per Section 9(3) of the Banking Companies Act) under which appointed / nominated / elected	Age (years)	Designation
Occupation: Additional Secretary, Department of Financial Services **Term**: For a period of three years from the December 21, 2021 or until further orders, whichever is the earlier **Nationality**: Indian			Director
K Nikhila **Occupation**: Service **Term**: With effect from July 14, 2023 until further orders. **Nationality**: Indian	Clause (c)	54	Non-Executive - Nominee Director
Dr. M.P. Tangirala **Occupation**: Additional Secretary, Department of Financial Services **Term**: With effect from September 14, 2022 until further orders, **Nationality**: Indian	Clause (b)	58	Non-Executive - Nominee Director
Dr. Bharath Krishna Sankar **Occupation**: Chartered Accountant **Term**: Three years with effect from February 7, 2021 till February 6, 2024 **Nationality**: Indian	Clause (i)	58	Shareholder Director
Papia Sengupta **Occupation**: Retired Banker **Term**: Three years with effect from October 29,2021 till October 28, 2024; **Nationality**: Indian	Clause (i)	64	Shareholder Director
Balmukund Sahay **Occupation**: Social Worker **Term**: Three years with effect from December 21, 2021 or until further orders, whichever is the earlier	Clause (h)	59	Part-time Non-Official Director

Name, Occupation, Term, Nationality	Clause (as per Section 9(3) of the Banking Companies Act) under which appointed / nominated / elected	Age (years)	Designation
Nationality: Indian			

Brief Profiles of our Directors

Shanti Lal Jain is the Managing Director and Chief Executive Officer of our Bank. He is a qualified chartered accountant and company secretary. Prior to joining Indian Bank, he was an executive director of Bank of Baroda.

Imran Amin Siddiqui is an Executive Director of our Bank. He holds a bachelor's degree in Engineering from Harcourt Butler Technical University in Kanpur. Prior to joining as an Executive Director, he was General Manager of Indian Bank. He has been on our Board since March 10, 2021.

Mahesh Kumar Bajaj is an Executive Director of our Bank. He holds a bachelor's degree in science and master's degree in mathematics from Kurukshetra University. Prior to joining our Bank, he was General Manager of Indian Bank. He has also served as nominee director on the board of Experian Credit Information Company of India Private Limited and Reliance Asset Reconstruction Company Limited. Presently, he is on the board of Universal Sompo General Insurance Company Limited as a nominee director. He has been on our Board since November 21, 2022.

Ashutosh Choudhury is an Executive Director of our Bank. He holds a master's degree in business administration from University of Pune. Prior to joining our Bank, he was Chief General Manager of Punjab National Bank and he has also served as Director in the Board of PNB Gilts, a subsidiary of Punjab National Bank. He has been on our Board since May 3, 2023.

Shiv Bajrang Singh is an Executive Director of our Bank. He holds a bachelor's degree and a master's degree in Art from the University of Lucknow and hold a master's in business administration from Indira Gandhi National Open University. Prior to joining our Bank, he was Chief General Manager of Bank of India. He has approximately 3 decades of experience in the banking sector. He has been on our Board since October 9, 2023.

Vishvesh Kumar Goel is the Part-time Non-Official Director of our Bank. He is working as Additional Secretary, Department of Financial Services. He has been on our Board since December 21, 2021.

K Nikhila is the Non-Executive - Nominee Director of our Bank. She is currently the Regional Director of RBI for the State of Telangana. She is also on the Board since July 14, 2023.

Dr. M.P. Tangirala is the Non-Executive – Government Nominee Director of our Bank. He is at present the Additional Secretary, Government of India, Ministry of Finance, Department of Financial Services and also serves as the Government Nominee Director in General Insurance Corporation of India, Life Insurance Corporation and National Bank for Agriculture and Rural Development. He has been on our board since September 14, 2022

Dr. Bharath Krishna Sankar is the Shareholder Director of our Bank. He is an associate member of The Institute of Cost Accountants of India and a fellow member of The Institute of Chartered Accountants of India. He also holds a degree of Doctor of Philosophy from Madurai Kamaraj University. He has been on our Board since December 21, 2017.

Papia Sengupta is the Shareholder Director of our Bank. She holds a bachelor's degree in Science from university of University of Calcutta. She is a member of the Council of Chartered Financial Analysts and holds a Post Graduate Diploma in Financial Analysis from the Institute of Chartered Financial Analysts of India. Prior to joining our Bank, she was a Chief General Manager of State Bank of Bikaner and Jaipur and Executive Director of Bank of Baroda. She has been on our Board since October 29, 2021.

Balmukund Sahay is the Part-time Non-Official Director of our Bank and has been on our Board since December 21, 2021.

Relationship between our Directors

None of our Directors are related to each other as on the date of this Placement Document.

Remuneration details of our Directors

(i) Remuneration details of our Executive Directors

The details of the remuneration paid by our Bank to our present Executive Directors including all allowances, provident fund contribution for the period April 1, 2023 to September 30, 2023 and for the Fiscals 2023, 2022 and 2021, respectively are set forth below:

(*₹ in crores*)

Name of the Director	Remuneration			
	For the period April 1, 2023 to September 30, 2023	For Fiscal 2023	For Fiscal 2022	For Fiscal 2021
Shanti Lal Jain[1]	0.21	0.41	0.20	Nil
Imran Amin Siddiqui[2]	0.19	0.37	0.30	0.01
Mahesh Kumar Bajaj[3]	0.17	0.11	Nil	Nil
Ashutosh Choudhury[4]	0.21	Nil	Nil	Nil
Shiv Bajrang Singh[5]	Nil	Nil	Nil	Nil
Padmaja Chundhuru[6]	Nil	Nil	0.40	0.30
Shenoy Vishwanath V.[7]	Nil	Nil	0.33	0.26
K Ramachandran[8]	Nil	Nil	0.30	0.26
M K Bhattacharya[9]	Nil	Nil	Nil	0.18
Ashwani Kumar[10]	0.36	0.47	0.19	Nil

1. Shanti Lal Jain was appointed as a Managing Director and Chief Executive Officer with effect from September 1, 2021
2. Imran Amin Siddiqui was appointed as an Executive Director with effect from March 10, 2021.
3. Mahesh Kumar Bajaj was appointed as an Executive Director with effect from April 1, 2020.
4. Ashutosh Choudhury was appointed as an Executive Director with effect from May 3, 2023.
5. Shiv Bajrang Singh was appointed as an Executive Director with effect from October 9,2023.
6. Padmaja Chundhuru ceased to be a Director on our Board with effect from September 1, 2021
7. Shenoy Vishwanath V. ceased to be a Director on our Board with effect from April 1, 2022
8. K Ramachandran ceased to be a Director on our Board with effect from July 1, 2021
9. MK Bhattacharya ceased to be a Director on our Board with effect from December 1, 2020
10. Ashwani Kumar ceased to be a Director on our Board with effect from June 1, 2023

Remuneration details of our Non-Executive Directors

As per Government of India's directive F. No. 15/1/2011-BOI dated January 18, 2019, all the directors other than the executive directors, Government's nominee director and RBI's nominee director, are to be paid a sitting fees amounting to ₹40,000 for attending each meeting of the board, ₹20,000 for attending each meeting of the sub-committee of the board, additional ₹10,000 for chairing the meeting of the Board and ₹5,000 for chairing the meeting of sub-committee of the Board.

Accordingly, the details of the sitting fees paid by our Bank to our present Non-Executive Directors for the for the period April 1, 2023 to September 30, 2023 and for the Fiscals 2023, 2022 and 2021, respectively are set forth below:

(*₹ in crores*)

Name of the Director	Sitting fees paid*			
	For the period April 1, 2023 to September 30, 2023	For Fiscal 2023	For Fiscal 2022	For Fiscal 2021
Vishvesh Kumar Goel[1]	0.12	0.14	0.06	Nil
Papia Sengupta[2]	0.17	0.15	0.10	Nil
Dr. Bharath Krishna Sankar[3]	0.14	0.15	0.15	0.15

Name of the Director	Sitting fees paid*			
	For the period April 1, 2023 to September 30, 2023	For Fiscal 2023	For Fiscal 2022	For Fiscal 2021
Balmukund Sahay[4]	0.12	0.14	0.06	Nil
Salil Kumar Jha[5]	Nil	Nil	Nil	0.15
Vinod Kumar Nagar[6]	Nil	Nil	Nil	0.03

**The sitting fees mentioned above is including applicable taxes.*
1 Vishvesh Kumar Goel was appointed as a Part Time Non-Official Director with effect from December 21, 2021.
2 Papia Sengupta was appointed as a Shareholder Director with effect from October 29, 2021.
3 Dr. Bharath Krishna Sankar was appointed as a Shareholder Director with effect from February 7, 2021.
4 Balmukund Sahay was appointed as a Part-time Non-Official Director with effect from December 21, 2021.
5 Salil Kumar Jha ceased to be a Director on our Board with effect from December 27,2020
6 Vinod Kumar Nagar ceased to be a Director on our Board with effect from June 30, 2020.

Performance Linked Incentive or Bonus or profit-sharing plan for our Directors

Government of India, Ministry of Finance, Department of Financial Services *vide* notification number F.No.12/1/2014 – BOA dated August 18, 2015 has set out broad parameters for payment of performance linked incentives to executive directors on the boards of public sector banks. Such performance linked incentives are given in accordance with scores obtained as per the performance evaluation matrix prescribed in the notification. The performance evaluation matrix consists of qualitative and quantitative parameters. Further, in accordance with the action point 16 of banking reforms set out in the Reforms Agenda for Responsive and Responsible PSBs ("**PSB Reforms Agenda**"), the board of directors of a public sector bank shall evaluate the performance of the bank's whole-time directors in terms of its implementation of the six-point action plan stated in the PSB Reforms Agenda. Further, in terms of 11th Bipartite Settlement/8th Joint Note dated November 11, 2020, as amended from time to time, the employees of the Bank are eligible for performance linked incentives which is payable to all eligible staff members annually over and above the normal salary payable to the employees depending on the annual performance of the Bank.

Shareholding details of our Directors in our Bank

The directors elected under section 9(3)(i) of the Banking Companies Act by the shareholders (other than the Government), are required to hold a minimum of 100 Equity Shares of our Bank in terms of Regulation 57 (i) (a) of the Indian Bank Regulations.

The following table sets forth details of shareholding of our Directors in our Bank, as on the date of this Placement Document.

Name of the Director	No. of Equity Shares (pre-Issue)	Percentage shareholding (%)
Mahesh Kumar Bajaj	1290	Negligible
Shanti Lal Jain	695	Negligible
Imran Amin Siddiqui	695	Negligible
Dr. Bharath Krishna Sankar	300	Negligible
Papia Sengupta	200	Negligible

Interest of our Directors

Our Executive Directors may be deemed to be interested to the extent of salary and remuneration paid to them for services rendered as Directors of our Bank, perquisites and reimbursement of expenses, if any, payable to them, as allowed in the ordinary course of business in terms of Central Government guidelines and RBI guidelines, as may be applicable.

Further, our Non-Executive Directors other than the Government's Nominee Director and RBI's Nominee Director, are entitled to receive sitting fees for attending each meeting of our Board and its sub-Committee thereof and are also entitled to reimbursement of expenses to attend such meeting as may be applicable.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Bank and dividend payable to them, if any. For details of Equity Shares held by our Directors in our Bank, see "*Shareholding details of our Directors in our Bank*" above.

Except as disclosed in this Placement Document, and except to the extent of shareholding in our Bank, our Directors do not have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Except as otherwise stated in this Placement Document, we have not entered into any contract, agreement or arrangement during the preceding two years from the date of this Placement Document in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Except as stated in "*Related Party Transactions*" in *"Financial Statements"* on page 299, our Directors do not have any other interest in the business of our Bank.

Other Confirmations

Our Directors have not been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI.

None of our Directors have been declared as Fugitive Economic Offenders.

Neither our Bank nor any of our Directors have been debarred from accessing capital markets under any order or direction made by SEBI.

Corporate Governance

Our Board has one (1) Managing Director and Chief Executive Officer, four (4) Executive Directors, one (1) Government of India Nominee Director, one (1) RBI Nominee Director, two (2) Part-time Non-Official Directors and two (2) Shareholder Directors on our Board. The Board of the Bank and certain of its committees does not have prescribed strength with regard to its composition in terms of the Banking Companies Act and the Nationalised Bank Scheme and the SEBI Listing Regulations. For further details please see "*Risk Factors - As on the date of this Placement Document, the composition of our Board and the composition of certain committees does not have the full strength as prescribed in the Banking Companies Act, SEBI Listing Regulations and Master RBI (Fit and Proper Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 dated August 2, 2019.*" beginning on page 49.

RBI has issued a circular RBI/2021-22/24 DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 pertaining to instructions with regard to the chairman and meetings of the board, composition of certain committees of the board, age, tenure and remuneration of directors, and appointment of the whole-time directors ("**RBI Circular**").

Committees of our Board

Our Board has constituted the following key Committees, as may be applicable on our Bank:

a) Management Committee;
b) Audit Committee;
c) Risk Management Committee;
d) IT Strategy Committee;
e) Customer Service Committee;
f) Committee of Directors (Vigilance);
g) Special Committee (Monitoring of Large Value Frauds);
h) Share Transfer Committee;
i) Stakeholders Relationship Committee;
j) H R Committee;
k) Committee for Monitoring of Recovery;
l) Board Level Appellate Committee for Disciplinary Cases;
m) Review Committee for Willful Defaulters.
n) Review Committee for Non Co-operative Borrowers;
o) Credit Approval Committee;
p) Nomination and Remuneration Committee;and
q) Board Committee for Performance Evaluation;

Details of some of these key Committees are as follows:

1. Management Committee

The Management Committee of the Board has been constituted in pursuance of Clause 13 of Nationalized Banks Scheme read with the directives of the MoF, Government of India. The composition of Management Committee of the Board has been advised by Department of Financial Services, Ministry of Finance, Government of India vide communication F. No. 13/1/2006-BO.1/80061042 dated August 24, 2015, as may be amended by further communications. Our Management Committee comprises the following member:

Name of Director	Designation	Nature of Directorship
Shanti Lal Jain	Chairperson	Managing Director and Chief Executive Officer
Imran Amin Siddiqui	Member	Executive Director
Mahesh Kumar Bajaj	Member	Executive Director
Ashutosh Choudhury	Member	Executive Director
Shiv Bajrang Singh	Member	Executive Director
K Nikhila	Member	Non-Executive - Nominee Director
Papia Sengupta	Member	Shareholder Director

2. Audit Committee

Our Audit Committee has been constituted in terms of RBI note dated April 26, 2021 bearing reference number DOR.GOV.REC.8/29.67.001|2021-22 and such other circulars issued by RBI. Our Audit Committee comprises the following members:

Name of Director	Designation	Nature of Directorship
Dr. Bharath Krishna Sankar	Chairperson	Shareholder Director
K Nikhila	Member	Non-Executive - Nominee Director
Vishvesh Kumar Goel	Member	Part-time Non-Official Director
Balmukund Sahay	Member	Part-time Non-Official Director

Post of the non-executive chartered accountant director (to be appointed in terms of Section 9(3)(g) of the Banking Companies Act) in the Audit Committee is vacant as on the date of this Placement Document as such director has not been nominated to our Board by GOI.

3. Stakeholders' Relationship Committee

Our Stakeholders' Relationship Committee has been constituted pursuant to Regulation 20 read with Clause B of Part D of Schedule II of the SEBI Listing Regulations as amended and Indian Bank Regulations, with the objective of specifically looking into the redressal mechanism of grievances of shareholders, debenture holders and other security holders and to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends etc. Our Stakeholders' Relationship Committee comprises the following members:

Name of Director	Designation	Nature of Directorship
Balmukund Sahay	Chairperson	Part-time Non-Official Director
Imran Amin Siddiqui	Member	Executive Director
Mahesh Kumar Bajaj	Member	Executive Director
Ashutosh Choudhury	Member	Executive Director
Shiv Bajrang Singh	Member	Executive Director

4. Risk Management Committee

Our Risk Management Committee has been constituted in accordance with the RBI note dated April 26, 2021 bearing reference number DOR.GOV.REC.8/29.67.001|2021-22 as may be amended by further notifications on risk management and Regulation 21 of the SEBI Listing Regulations, as may be amended. It has been formed for successful implementation of proper risk management systems in our Bank and devises the policies and strategies for integrated risk management containing various risk exposures of our Bank. Our Risk Management Committee comprises the following members:

Name of Director	Designation	Nature of Directorship
Papia Sengupta	Chairperson	Shareholder Director
Shanti Lal Jain	Member	Managing Director and Chief Executive Officer
Mahesh Kumar Bajaj	Member	Executive Director
Dr. M.P. Tangirala	Member	Non-Executive - Nominee Director
Balmukund Sahay	Member	Part-time Non-Official Director
Vishvesh Kumar Goel	Member	Part-time Non-Official Director

5. Nomination & Remuneration Committee*

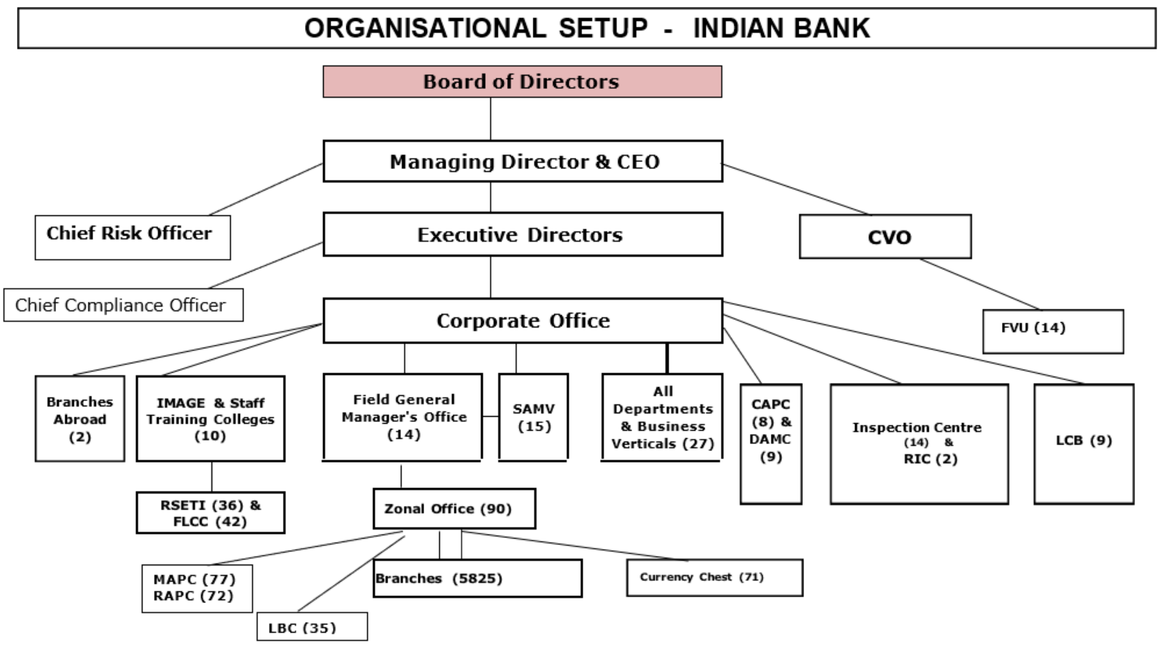
Our Nomination & Remuneration Committee was constituted in terms of RBI circular dated April 26, 2021 bearing reference number DOR.GOV.REC.8/29.67.001|2021-22 as may be amended by further notifications. Our Nomination & Remuneration Committee comprises the following members:

Name of Director	Designation	Nature of Directorship
Vishvesh Kumar Goel	Chairperson	Part-time Non-Official Director
Papia Sengupta	Member	Shareholder Director
Dr. Bharath Krishna Sankar	Member	Shareholder Director
Balmukund Sahay	Member	Part-time Non-Official Director

Further, pursuant to gazette notification CG-DL-E-27012021-224708 dated January 25, 2021, the Board of the Bank is authorised do any act or thing and in order to do so the recommendations or determination of, or resolution of grievances of security holders by, or in respect of any appointment, approval or review by any committee of the Board of the bank is required, if the Board is satisfied that quorum for meeting of such committee cannot be met on account of either existence of any vacancy in such Committee or recusal by member thereof.

Management Organization Structure

Set forth is the organization structure of our Bank:



Senior Management

The following table sets forth the details of our senior management, including our key managerial personnel and senior management ("**Senior Management**"), other than our Managing Director and Chief Executive Officer Shanti Lal Jain:

Name	Designation
Sunil Jain	Chief Financial Officer
Dina Nath Kumar	Company Secretary and Compliance Officer
Vikas Kumar	Chief General Manager - Retail Assets & MSME Including Processing Centres)
Satish Kumar	Chief General Manager - Treasury & International Banking Division
Sudhakara Rao K.S.	Chief General Manager - Government /KYC / Anti Money Laundering / Customer Service Cell.
Binoy Kumar Singh	Chief General Manager – Field General Manager, Kolkata
Sujit Kumar Dey	Chief General Manager and Chief Risk Officer, Fraud Risk Management Cell
Maya Nagarajan V	Chief General Manager – Credit Monitoring Cell, Recovery & Legal
Dhanaraj T	Chief General Manager – Chief Development Officer & Chief Learning Officer (Human Resource Management & Human Resource Development)
Deepak Sarda	Chief General Manager – Chief Technology Officer and Chief Information Officer
Vallery Rath	Chief General Manager – Digital Business

All our Senior Management are permanent employees of our Bank.

Relationships between members of our Senior Management and with Directors

None of members of our Senior Management are related to each other or with our Directors.

Bonus or a profit-sharing plan to members of our Senior Management

In terms of 11th Bipartite Settlement/8th Joint Note dated November 11, 2020, as amended from time to time, the employees of the Bank are eligible for performance linked incentives which is payable to all eligible staff members annually over and above the normal salary payable to the employees depending on the annual performance of the Bank.

Shareholding of members of our Senior Management

The following table sets forth details of shareholding of our Senior Management Personnel's in our Bank, as on the date of this Placement Document:

Name of the Senior Management	No. of Equity Shares (pre-Issue)	Percentage shareholding (%)
Sunil Jain	800	Negligible
Dina Nath Kumar	575	Negligible

Interests of members of our Senior Management

None of members of our Senior Management have any interest in our Bank except to the extent of their, remuneration, benefits and reimbursement of expenses incurred by them in the ordinary course of business, which they receive from our Bank, and loans availed from our Bank, if any.

Our members of our Senior Management may also be deemed to be interested to the extent of Equity Shares held by them in our Bank and any dividend or other distributions payable to them in respect of the said Equity Shares (if any). For details of Equity Shares held by members of our Senior Management in our Bank, see "*Shareholding details of our Senior Management*" above.

None of members of our Senior Management have any financial or other material interest in the Issue and there is no effect of an interest by virtue of having shareholding in our Bank, so far as it is different from the interests of other persons.

Other than as disclosed in this Placement Document, there were no outstanding transactions other than in the ordinary course of business undertaken by our Bank in which members of our Senior Management were the interested parties**.** For further details, please see "*Financial Statements*" on page 299

Policy on disclosures and internal procedure for prevention of insider trading

Regulation 8(1) and 9(1) of the SEBI Insider Trading Regulations applies to the Bank and its employees and requires our Bank to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with. Our Bank has implemented a code of conduct for prevention of insider trading in accordance with the SEBI Insider Trading Regulations.

Employee Stock Option Scheme/Employee Stock Purchase Scheme

As on the date of this Placement Document, our Bank does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme.

PRINCIPAL SHAREHOLDERS AND OTHER INFORMATION

The following table presents information regarding the ownership of Equity Shares by the Shareholders as of September 30, 2023:

Summary statement holding of Equity Shares

Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of Locked in shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
(A) Promoter & Promoter Group	01	99,45,49,600	99,45,49,600	79.86	99,45,49,600	79.86	0.00	0.00	99,45,49,600
(B) Public	3,06,648	25,08,91,539	25,08,91,539	20.14	25,08,91,539	20.14	0.00	0.00	24,94,35,580
(C1) Shares underlying DRs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(C2) Shares held by Employee Trust	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(C) Non Promoter-Non Public	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	3,06,649	1,24,54,41,139	1,24,54,41,139	100.00	1,24,54,41,139	100.00	0.00	0.00	1,24,39,85,180

Shareholding Pattern of Promoters and Promoter Group of our Bank as on September 30, 2023

Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Locked in shares		No. of equity shares held in dematerialized form
					No. (a)	As a % of total Shares held (b)	
A1) Indian							
Central Government/ State Government(s)/ President of India	00	00.00	0.00	0.00	0.00	0.00	0.00
President of India	01	99,45,49,600	99,45,49,600	79.86	0.00	0.00	99,45,49,600
Sub Total A1	01	99,45,49,600	99,45,49,600	79.86	0.00	0.00	99,45,49,600
A2) Foreign	0.0	0.00	0.00	0.00	0.00	0.00	0.00
A=A1+A2	01	99,45,49,600	99,45,49,600	79.86	0.00	0.00	99,45,49,600

Shareholding Pattern of Public Shareholders as on September 30, 2023

Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of Locked in shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
B1) Institutions									
Mutual Funds/	22	9,97,08,942	9,97,08,942	8.01	9,97,08,942	8.01	0.00	0.00	9,97,08,942
HSBC Value Fund	01	1,51,72,274	1,51,72,274	1.22	1,51,72,274	1.22	0.00	0.00	1,51,72,274
HDFC Mutual Fund - HDFC Midcap Opportunities Fund	01	4,23,86,630	4,23,86,630	3.40	4,23,86,630	3.40	0.00	0.00	4,23,86,630
Foreign Portfolio Investors-Category I	184	5.14,12,846	5,14,12,846	4.13	5,14,12,846	4.13	0.00	0.00	5,14,12,846
Foreign Portfolio Investors-Category II	17	21,32,285	21,32,285	0.17	21,32,285	0.17	0.00	0.00	21,32,285
Banks	03	628	628	0.00	628	0.00	0.00	0.00	628
Insurance Companies	10	4,18,80,929	4,18,80,929	3.36	4,18,80,929	3.36	0.00	0.00	4,18,80,929
Life Insurance Corporation of India and its various schemes	01	3,82,25,486	3,82,25,486	3.07	3,82,25,486	3.07	0.00	0.00	3,82,25,486
Any Other (specify) Alternative Investment Fund	09	48,44,284	48,44,284	0.39	48,44,284	0.39	0.00	0.00	48,44,284
Foreign Institutional Investor	08	4,06,930	4,06,930	0.03	4,06,930	0.03	0.00	0.00	4,06,930
Sub Total B1	253	20,03,86,844	20,03,86,844	16.09	20,03,86,844	16.09	0.00	0.00	20,03,86,844
B2) Central Government/ State Government(s)/ President of India									
Central Government/ State Government(s)/ President of India	01	4,021	4,021	0.00	4,021	0.00	0.00	0.00	4,021
Sub Total B2	01	4,021	4,021	0.00	4,021	0.00	0.00	0.00	4,021
B3) Non-Institutions									
Individual share capital up to ₹ 2 Lacs	2,76,640	3,30,01,189	3,30,01,189	2.65	3,30,01,189	2.65	0.00	0.00	3,16,15,543
Individual share capital in excess of ₹2 Lacs	73	47,71,225	47,71,225	0.38	47,71,225	0.38	0.00	0.00	47,71,225

Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of Locked in shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
Any Other (specify)	25,176	79,03,055	79,03,055	0.63	79,03,055	0.63	0.00	0.00	78,52,430
Bodies Corporate	1,078	32,34,977	32,34,977	0.26	32,34,977	0.26	0.00	0.00	32,19,831
Clearing Members	08	5,495	5,495	0.00	5,495	0.00	0.00	0.00	5,495
Director or Director's relatives	02	500	500	0.00	500	0.00	0.00	0.00	500
ESOP or ESOS or ESPS	19,567	62,27,037	62,27,037	0.50	62,27,037	0.50	0.00	0.00	62,27,037
Employees	2,568	5,70,969	5,70,969	0.05	5,70,969	0.05	0.00	0.00	5,21,477
HUF	3,003	9,98,899	9,98,899	0.08	9,98,899	0.08	0.00	0.00	9,97,766
Non-Resident Indian (NRI)	3,421	15,81,073	15,81,073	0.13	15,81,073	0.13	0.00	0.00	15,76,531
Trusts	26	96,293	96,293	0.01	96,293	0.01	0.00	0.00	96,293
Unclaimed or Suspense or Escrow Account	02	3,862	3,862	0.00	3,862	0.00	0.00	0.00	3,862
Associate Companies/Subsdiaries	01	5,100	5,100	0.00	5,100	0.00	0.00	0.00	5,100
Key Managerial Personnel	05	4,055	4,055	0.00	4,055	0.00	0.00	0.00	4,055
Sub Total B3	3,06,394	5,05,00,674	5,05,00,674	4.05	5,05,00,674	4.05	0.00	0.00	4,90,44,715
B=B1+B2+B3	3,06,648	25,08,91,539	25,08,91,539	20.14	25,08,91,539	20.14	0.00	0.00	24,94,35,580

Details of Shares which remain unclaimed for Public

Serial No.	Number of Shareholders	Outstanding shares held in demat or unclaimed suspense account	voting rights which are frozen	Disclosure of notes on shares which remain unclaimed for public shareholders
1	02	3,862	3862	-

Shareholding Pattern of the Non Promoter – Non Public shareholder as on September 30, 2023

Category & Name of Shareholder (I)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	Total no. of shares held (VII = IV + V + VI)	Shareholding as a % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	No. of Locked in shares		No. of equity shares held in dematerialized form (XIV) (Not Applicable)
					No.	As a % of total Shares held	
C1) Custodian/ DR Holder	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C2) Employee Benefit Trust	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Details of disclosure made by the Trading Members holding 1% or more of the Total Number of shares of our Bank as on September 30, 2023

S. No.	Name of the Trading Member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
-	NIL	NIL	NIL	NIL	NIL

REGULATIONS AND POLICIES

The following description is a summary of certain laws and regulations in India, which are applicable to the Bank. The information detailed in this section has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

Reserve Bank of India Act, 1934

RBI may, subject to certain conditions, direct the inclusion or exclusion of any bank from the second schedule of the RBI Act. Scheduled banks are required to maintain cash reserves with the RBI. In this regard, RBI may stipulate an average daily balance requirement to be complied with, by such banks and may direct that such banks regard a transaction or class of transactions as a liability. RBI has the power to impose penalties against any person for, *inter alia*, failure to produce any book, account or other document or furnish any statement, information, or particulars which such person is duty-bound to produce or furnish under the RBI Act, or any order, regulation, or direction thereunder.

Banking Regulation Act, 1949 ("Banking Regulation Act")

Our Bank is a 'Corresponding New Bank' as defined under the Banking Companies Act, only certain provisions of the Banking Regulation Act is applicable thereto, including in respect of inspection by the RBI, penalties and restrictions on commission and brokerage payable on sale of shares. The RBI can direct a special audit in the interest of depositors or in public interest. The Banking Regulation Act also prescribes certain requirements in relation to financial statements of Banks including our Bank.

Commercial banks in India are required to obtain a license from the RBI to carry on banking business in India as per Section 22 of the Banking Regulation Act. Such license is granted to a bank subject to compliance with certain conditions including (i) that the bank has or will have the ability to pay its present and future depositors in full as their claims accrue; (ii) that the affairs of the bank are not or are not likely to be conducted in a manner detrimental to the interests of present or future depositors; (iii) bank has adequate capital structure and earnings prospects; (iv) any other condition, the fulfilment of which would, in the opinion of the RBI, be necessary to ensure that the carrying on of banking business in India by the company will not be prejudicial to the public interest or the interest of its depositors ; and (v) that public interest will be served if such license is granted to the bank.

The RBI may cancel the license if the bank fails to meet the qualifications /conditions imposed on it or if the bank ceases to carry on banking operations in India. Additionally, the RBI has issued various reporting and record-keeping requirements for commercial banks. Further, the appointing, re-appointing, or removing of auditor or auditors of the bank requires prior approval of the RBI, as the Bank is a government company.

We have obtained a banking license since the date of nationalisation through Gazette of India and are regulated and supervised by the RBI as applicable to as a Corresponding New Bank. The RBI requires us to furnish statements, information and certain details relating to our business and it has issued guidelines for commercial banks on recognition of income, classification of assets, valuation of investments, maintenance of capital adequacy and provisioning for non-performing and restructured assets. The RBI has set up a board for financial supervision ("**BFS**"), under the chairmanship of the Governor of the RBI. The primary objective of BFS is to undertake consolidated supervision of the financial sector comprising of *inter alia*, commercial banks, financial institutions and non-banking finance companies. The RBI can direct a special audit in the interest of the bank or the depositors or in the public interest.

The Banking Regulation Act confers power on the RBI (in consultation with the central government) in the public interest or for preventing the affairs of the bank from being conducted in a manner detrimental to the interest of the depositors or any banking company or for securing the proper management of any banking company, to pass orders to supersede the board of directors of a banking company for a period of up to six months, provided that the period of supersession may be extended from time to time, so, however, that the total period shall not exceed 12 months.

During the moratorium, the RBI may prepare a scheme: (i) for the reconstruction of the bank, or (ii) for the amalgamation of the banking company with any other banking institution, if it is satisfied that it is necessary to do so in:

(i) in the public interest; or
(ii) in the interests of the depositors; or
(iii) in order to secure the proper management of the banking company; or
(iv) in the interest of the banking system of the country as a whole.

The abovementioned scheme shall be in accordance with the provisions of the Banking Regulation Act.

When a bank fails to or omits to comply with the provisions of the Banking Regulation Act, the RBI may impose fine within prescribed limits on banks and its officers or punish with imprisonment for the term provided in the law, on the basis of the nature of the violation.

The Banking Regulation (Amendment) Act, 2017 had been promulgated by the President of India with a view to give extensive powers to RBI to issue directions to banks for resolution of stressed assets. The amendment introduced two new sections to the Banking Regulation Act, Section 35AA and Section 35AB which enables RBI to direct banks to commence the insolvency resolution process against the defaulting company under the Insolvency and Bankruptcy Code, 2016 ("**IBC**"). The RBI has also been granted the discretion to set up one or more advisory/supervisory committees to advise banks on resolution of stressed assets.

The Banking Regulation (Amendment) Ordinance, 2020, ("**Ordinance**") was promulgated by the President of India on June 26, 2020. The Ordinance amends the Banking Regulation Act as applicable to Cooperative Banks. It seeks to protect the interests of depositors and strengthen cooperative banks by improving governance and oversight by extending powers already available with RBI in respect of other banks to Co-operative Banks as well for sound banking regulation, and by ensuring professionalism and enabling their access to capital.

The Ordinance also amends Section 45 of the Banking Regulation Act, to enable making of a scheme of reconstruction or amalgamation of a banking company for protecting the interest of the public, depositors and the banking system and for securing its proper management, even without making an order of moratorium, so as to avoid disruption of the financial system.

Regulatory reporting and examination procedures

The RBI is empowered under the Banking Regulation Act to call for certain information from a bank as well as to inspect a bank. The RBI monitors prudential parameters at periodic basis.

RBI has introduced a system of off-site monitoring and surveillance, with the primary objective of monitoring the financial condition of banks in between two on-site examinations. To this end and to enable off-site monitoring and surveillance by the RBI, banks are required to report to the RBI on various aspects of their business. This system of offsite monitoring and surveillance has been migrated to a secured Online Returns Filing System ("**ORFS**") in which data collection and consolidation has been streamlined. The RBI also conducts on-site super vision of selected branches with respect of their general operations and foreign exchange related transactions.

The RBI also conducts periodical on-site inspections on matters relating to the bank's portfolio, risk management systems, internal controls, credit allocation and regulatory compliance, at intervals ranging from one to three years.

Maintenance of records

The Banking Regulation Act requires banks to maintain books and records in the manner specified therein and file the same with the Registrar of Companies on a periodic basis. The provisions for production of documents and availability of records for inspection by shareholders as stipulated under the Companies Act and the rules thereunder would apply to our Bank as in the case of any company. The "Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016" issued by the RBI dated February 25, 2016, as updated from time to time, also provide for certain records to be maintained for a minimum period of five years from the business relationships have ended.

Regulations relating to the opening of branches

Under Section 23 of the Banking Regulation Act, banks are required to obtain the prior approval of the RBI to open new branches, in or outside India or to change the existing place of such business, other than a change of existing place within the same city, town or village. Permission is granted based on factors such as overall financial position of the bank, the history of the bank, the general character of its management, the adequacy of its capital structure, its earning prospects and public interest.

The RBI issues instructions and guidelines to banks on branch authorization from time to time, including guidelines allowing banking companies to open new branches, banking outlets, closure, shifting of branches/ ATMs etc. In terms of the Rationalisation of Branch Authorisation Policy - Revision of Guidelines issued by the RBI dated May 18, 2017, domestic scheduled commercial banks may open branches, unless otherwise specifically restricted, in tier 1 to tier 6 centres without prior permission from RBI, subject to the conditions laid down by RBI thereunder.

The RBI has further stipulated that the banks are required to open at least 25 percent of the total number of 'Banking Outlets' opened during a financial year in 'unbanked rural centres' i.e., tier 5 and tier 6 centre that does not have a core banking solution (CBS) enabled 'Banking Outlet' of a scheduled commercial bank, a small finance bank, a payment bank or a regional rural bank nor a branch of local area bank or licensed co-operative bank for carrying out customer based banking transactions, failing which appropriate penal measures, including restrictions on opening of tier 1 branches, may be imposed.

Further, such banks may also shift, merge, or close all branches except rural branches and sole semi-urban branches without prior permission from District Consultative Committee/ District Level Review Committee, subject to certain conditions. Rural branches and sole semi-urban branches can also be closed subject to certain conditions. Further, RBI has permitted installation of onsite/offsite ATMs at centres identified by banks. Further, banks are required to periodically report details of the branches opened/closed/shifted to RBI.

Capital adequacy requirements

RBI has issued guidelines based on the Basel III reforms on capital regulation on May 2, 2012, to the extent applicable to banks operating in India. The Basel III capital regulation has been implemented from April 1, 2013 in India in a phased manner and was fully implemented by October 1, 2021, as specified below. Banks have to comply with the regulatory limits and minima as prescribed under Basel III capital regulations on an ongoing basis. The table below summarizes the capital requirements under Basel III guidelines for banks in India:

Sr. No.	Regulatory Capital	As % of Risk Weighted Assets
1.	Minimum Common Equity Tier I Ratio	5.50%
2.	Capital Conservation Buffer (comprised of Common Equity)	2.50%
3.	Minimum Common Equity Tier I Ratio plus Capital Conservation Buffer (1)+(2)	8.00%
4.	Additional Tier I Capital	1.50%
5.	Minimum Tier I Capital Ratio (1) +(4)	7.00%
6.	Tier II Capital	2.00%
7.	Minimum Total Capital Ratio (MTC) (5)+(6)	9.00%
8.	Minimum Total Capital Ratio plus Capital Conservation Buffer (7)+(2)	11.50%

To ensure smooth transition to Basel III, appropriate transitional arrangements have been provided for meeting the minimum Basel III capital ratios, full regulatory adjustments to the components of capital etc and accordingly, RBI has introduced the master circular on "Basel III Capital Regulations" dated July 1, 2015 (Master Circular No. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015). The Basel III capital regulations were implemented in India with effect from April 1, 2013 and have been fully implemented as on October 1, 2021. Banks have to comply with the regulatory limits and minima as prescribed under Basel III capital regulations, on an ongoing basis.

Under the Basel III Regulations, the capital conservation buffer ("**CCB**") was to be implemented in tranches of 0.625% and the transition to full CCB of 2.5% was set to be completed by March 31, 2019. It was subsequently decided to defer the implementation of the last tranche of 0.625% of the CCB from March 31, 2019 to March 31, 2020. However, considering the potential stress on account of COVID-19 pandemic, under the circular DOR.BP.BC.No.45/21.06.201/2019-20 dated March 27, 2020 and circular DOR.BP.BC. No15/21.06.201/2020-21 dated September 29, 2020, the implementation of the last tranche of 0.625% of the CCB was deferred to April 1, 2021. Subsequently, *vide* a notification dated February 5, 2021, RBI has deferred the implementation of the last tranche of the CCB of 0.625% from April 1, 2021 to October 1, 2021.

RBI has thereafter issued revisions to the Master Circular - Basel III Capital Regulations dated July 1, 2015 *vide* its notifications, namely, (i) Master Circular – Basel III Capital Regulations – Clarification dated January 14, 2016 (bearing number RBI/2015-16/285 DBR.No.BP.BC.71/21.06.201/2015-16) in relation to payment of coupons under criteria for inclusion of perpetual debt instruments in additional tier 1 capital; (ii) Master Circular – Basel III Capital Regulations – Revision dated March 1, 2016 (bearing number RBI/2015-16/331 DBR.No.BP.BC.83/21.06.201/2015-16) in relation to treatment of revaluation reserves, treatment of foreign currency translation reserves, treatment of deferred tax assets, etc.; (iii) Basel III Capital Regulations - Additional Tier 1 Capital dated February 2, 2017 (bearing number RBI/2016-17/222 DBR.BP.BC.No.50/21.06.201/2016-17) in relation to coupon discretion under the criteria for inclusion of perpetual debt instruments in additional tier 1 capital and (iv) Basel III Capital Regulations – Implementation of Leverage Ratio dated June 28, 2019 (bearing number RBI/2018-19/225 DBR.BP.BC.No.49/21.06.201/2018-19) in relation to minimum leverage ratio requirements; and (v) Basel III Capital Regulations – Treatment of Debt Mutual Funds/ETFs dated August 6, 2020 (bearing number RBI/2020-21/18 DOR.No.BP.BC/5/21.04.201/2020-21) in relation to capital charge for market risk for banks investing in debt mutual funds or exchange traded funds.

Liquidity coverage ratio

The Basel III framework on ‘Liquidity Standards’ includes ‘Liquidity Coverage Ratio’, ‘Net Stable Funding Ratio’ (‘**NSFR**”) and liquidity risk monitoring tools. In June, 2014, the RBI issued guidelines in relation to liquidity coverage ratio (“**LCR**”), liquidity risk monitoring tools and LCR disclosure standards pursuant to the publication of the ‘Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools’ in January, 2013 and the ‘Liquidity Coverage Ratio Disclosure Standards’ in January, 2014 by the Basel Committee which provided enhanced guidance on liquidity, risk governance, measurement, monitoring and reporting to the RBI on liquidity positions. The guidelines stipulate that banks were to ensure an LCR of 60% for the calendar year 2015 with effect from January 1, 2015, minimum 90% with effect from January 1, 2018 and were expected to make a transition to an LCR of 100% on January 1, 2019. In order to accommodate the burden on banks’ cash flows on account of the Covid-19 pandemic, RBI *vide* notification dated April 17, 2020, permitted banks to maintain LCR as under:

From date of circular to September 30, 2020	80%
October 1, 2020 to March 31, 2021	90%
April 1, 2021 onwards-	100

The notification further provides that banks shall prepare LCR restoration plans upon breach of the LCR requirement set out above, for scrutiny by the RBI’s Department of Supervision.

The LCR measures a bank’s ability to manage and survive for 30 days under a significant stress scenario that combines idiosyncratic as well as market-wide shock situations that would result in accelerated withdrawal of deposits from retail as well as wholesale depositors, partial loss of secured funding, increase in collateral requirements and unscheduled drawdown of unused credit lines. At least 60% of the net cash outflows in the next 30 days, computed with these assumptions of a stressed scenario, are required to be supported by High Quality Liquid Assets (“**HQLA**”).

Since MSF has been reduced to 2 per cent from 3 per cent of NDTL from January 1, 2022, the total HQLA carve out from the mandatory SLR, which can be reckoned for meeting LCR requirement, has reduced to 17 per cent of NDTL (2 per cent MSF plus 15 per cent FALLCR) from 18 percent. The RBI has permitted banks to reckon Government securities as Level 1 HQLA under FALLCR within the mandatory SLR requirement up to 16 per cent of their NDTL. Accordingly, the total HQLA carve out from the mandatory SLR, which can be reckoned for meeting LCR requirement will be 18 per cent of NDTL (2 per cent MSF plus 16 per cent FALLCR).

Further, the Basel Committee on Banking Supervision issued the final rules on ‘Net Stable Funding Ratio’ on October 31, 2014 and RBI issued the guidelines on NFSR on May 17, 2018 with the objective to ensure that banks maintain a stable funding profile in relation to the composition of their assets and off- balance sheet activities. RBI has vide circular dated November 29, 2018 notified that the NSFR guidelines shall come into effect from April 1, 2020. RBI had vide circular dated March 27, 2020, deferred the implementation of NSFR guidelines by six months i.e. till October 1, 2020 and *vide* notification dated September 29, 2020, has decided to defer the implementation of NSFR guidelines by a further period of six months i.e till April 1, 2021. The NSFR guidelines came into effect on October 1, 2021 pursuant to notification dated February 5, 2021.

Prudential framework for resolution of stressed assets

The RBI has, pursuant to its circular dated June 7, 2019, established a new regulatory framework for resolution of stressed assets ("**Revised Framework**"). Pursuant to the Revised Framework, existing guidelines and schemes for debt resolution such as revitalising distressed assets, CDR, flexible structuring of existing long term project loans, SDR, change in ownership outside SDR, and S4A have been withdrawn. In addition, the guidelines /framework for joint lenders' forum has also been discontinued. According to the Revised Framework, the lenders must identify incipient stress in loan accounts immediately on default by classifying stressed assets as special mention account.

Under the Revised Framework, the RBI had introduced a revised framework for resolution of stressed assets, where banks are required to put in place a board approved policy for resolution of stressed assets. Upon the occurrence of a default, banks are required to within a period of 30 days from the date of such default ("**Review Period**"), review the account of the borrower and determine a strategy for implementing a resolution plan or choose to initiate legal proceedings or recovery. If a resolution plan route is chosen by the lenders during the Review Period, the lenders are required to enter into an inter-creditor agreement to provide rules for finalisation and implementation of the resolution plan and also provide in such inter-creditor agreement that decisions by lenders representing 75% of outstanding facilities and 60% by number shall bind all lenders to the inter-creditor agreement. The resolution plan is to be implemented within 180 days from the end of the Review Period in respect of accounts with aggregate exposure above a threshold (as listed below) with the lenders. Depending on the aggregate exposure (including fund based and non- fund based) of the borrower towards the lender, the Review Period is required to commence by a specified date, as set out below:

(i) INR 2,000 crore and above – June 7, 2019;

(ii) INR 1,000 crore and above but less than INR 2,000 crore – January 1, 2020; and

(iii) Less than INR 1,500 crore – To be announced.

The Revised Framework further clarifies that in the event a viable resolution plan in respect of the borrower is not implemented within the aforementioned timelines, all lenders (whether party to the inter-creditor agreement or not) are required to make additional provisions as set out below ("**Additional Provisions**"):

Timeline for implementation of viable resolution plan	**Additional Provisions to be made as a percentage of total outstanding, if resolution plan not implemented within the timeline**
180 days from the end of Review Period	20%
365 days from the commencement of Review Period	15% (i.e., total additional provisioning of 35%)

As per the Revised Framework, the additional provisions shall also be required to be made in cases where the lenders have initiated recovery proceedings, unless the recovery proceedings are fully completed. The Revised Framework shall not be available for borrower entities in respect of which specific instructions have already been issued or are issued by the RBI to the banks for initiation of insolvency proceedings under the IBC. It may be noted that the certain sections of the Revised Framework (Implementation of Resolution Plan, Implementation Conditions of Resolution Plan, Delayed Implementation of Resolution Plan) is not applicable to MSMEs whose revival and rehabilitation is already mentioned RBI Circular on 'Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises (MSMEs)' dated March 17, 2016.

As part of the regulatory measures aimed at alleviating the lingering impact of Covid-19 pandemic, the RBI through its circulars dated April 17, 2020 and May 23, 2020 each titled "Covid-19 Regulatory Package - Review of Resolution Timelines Under the Prudential Framework on Resolution of Stressed Assets" extended the resolution timeline under the Revised Framework as follows:

i. within the Review Period as on March 1, 2020, the period from March 1, 2020 to August 31, 2020 shall be excluded from the calculation of the 30-day timeline for the Review Period. In respect of all such accounts, the residual Review Period shall resume from September 1, 2020, upon expiry of which the lenders shall have the usual 180 days for resolution; and

ii. in respect of accounts where the Review Period was over, but the 180-day resolution period had not expired as on March 1, 2020, the timeline for resolution shall get extended by 180 days from the date on which the 180-day period was originally set to expire.

Consequently, the requirement of making additional provisions as specified above shall be triggered as and when the extended resolution timeline expires. Further, the RBI directed that the lending institutions shall make relevant disclosures in respect of accounts where the resolution period was extended in the 'Notes to Accounts' while preparing their financial statements for the half year ending September 30, 2020 as well as the financial years 2020 and 2021.

The Insolvency and Bankruptcy Code, 2016 ("IBC")

The IBC was enacted and notified in the Gazette of India on May 28, 2016. The IBC covers individuals, companies, limited liability partnerships, partnership firms, proprietorship firms and other legal entities. The IBC has established an Insolvency and Bankruptcy Board of India to function as the regulator for all matters pertaining to insolvency and bankruptcy. The IBC prescribes a time limit of 180 days (extendable by up to a maximum of 90 days) for the insolvency resolution process to be completed ("**IBC Moratorium Period**") during which period the entity shall be revived. During the Moratorium Period, (i) the management of the debtor vests in favour of the resolution professional appointed by National Company Law Tribunal ("**NCLT**"); (ii) no assets of the debtor can be transferred, encumbered; (iii) there can no enforcement of security interest; (iv) no fresh proceedings can be initiated against the debtor and the continuation of pending proceedings are prohibited.

The resolution professional shall invite and verify claims of all creditors of the debtor and constitute a committee of creditors comprising of all creditors whose claims are verified and accepted. Thereafter a resolution plan is prepared for the revival of the entity which shall be approved by majority of the committee of creditors which is then sanctioned by the NCLT. In the event no resolution plan is approved by committee of creditor or the NCLT rejects the resolution plan for non-compliance, the NCLT directs the liquidation of the debtor.

The IBC was recently amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2020 ("**Amendment**"), which received Presidential Assent on March 13, 2020 and is deemed to be effective from December 28, 2019. The Amendment has *inter alia* prescribed minimum thresholds for filing of the application in certain cases i.e. in terms of number, for instance, in case of homebuyers / allottees, at least 100 homebuyers/allottees under the same project or at least 10% of the total numbers of such allottees whichever is less.

The Amendment has introduced a non-obstante explanation stating that any permit, license, registration which has been provided by any local, central or state authority constituted under any law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in the payment of current dues arising for the use or continuation of such license, permit or registration during the IBC Moratorium Period.

The Amendment also clarifies that the effect of the approval of a resolution plan by the Adjudicating Authority should result in (i) the extinguishment of all liabilities of the corporate debtor existing at or pertaining to the period prior to the insolvency commencement date; and (ii) no action being taken against the property of the corporate debtor, in relation to the offences committed in the period prior to the insolvency commencement date. However, this immunity is only available in cases where the resolution plan specifically provides for a change in the management control of the corporate debtor to a person not being a promoter managing or controlling the corporate debtor / any related party or a person against whom a complaint has been made before the relevant authority in relation to the aforementioned offence.

The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 and the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021

In terms of the Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 (effective June 5, 2020) (the "**2020 Act**") Section 10 A was inserted in the IBC through of which an embargo was imposed on initiation of corporate insolvency resolution proceedings ("**CIRP**") against corporate debtors for any default arising on or after March 25, 2020 for a period of period of six months or such further period not exceeding one year ("**Embargo Period**"). Further, the Act also provided that initiation of CIRP, for defaults arising during the Embargo Period shall be barred in perpetuity. Subsequently, the Embargo Period was initially extended up till December 24, 2020 and thereafter up till March 24, 2021. Additionally, the 2020 Act also amended Section 66 of the IBC in terms of a resolution professional was authorised to apply to the National Company Law Tribunal against persons who were knowingly party to transactions undertaken to defraud the creditors of a Corporate Debtor or for any fraudulent purposes. In terms of the 2020 Act, Section 66 was amended to restrict resolution professionals from initiating actions under such persons provided the CIRP of the relevant corporate debtor is covered under the Embargo Period.

Subsequently, the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 was introduced on April 4, 2021 in terms of which, the pre-packaged insolvency framework was introduced, and the Embargo Period ended with effect from March 24, 2021. On July 26, 2021, the Insolvency and Bankruptcy Code (Amendment) Bill, 2021 ("**Bill**") was introduced. On the August 11, 2021, the Bill received the assent of the President thus enacting the Insolvency and Bankruptcy (Amendment) Act, 2021 ("**Amendment**") deemed to have come into force on the April 4, 2021.

The Recovery of Debts and Bankruptcy Act, 1993 as amended by the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2019 ("RDB Act")

The DRT Act prescribes the rules for establishment of DRTs, procedure for making application to Debt Recovery Tribunals ("**DRTs**"), powers of DRTs and modes of recovery of debts determined by DRTs, including attachment and sale of movable and immovable properties of defendants, arrest of defendants, defendants' detention in prison and appointment of receivers for management of the movable or immovable properties of defendants.

The DRT Act also provides that a bank or public financial institution, having a claim to recover its debt may join an ongoing proceeding filed by some other bank or public financial institution against its debtor at any stage of the proceedings before the final order is passed by making an application to the DRT. Pursuant to the recovery certificate being issued, the recovery officer of the respective DRT shall effectuate the final orders of the DRT in the application. Unless such final orders of the DRT have been passed with the consent of the parties to an application, an appeal may be filed against such final orders of the DRT before the debt recovery appellate tribunal ("**DRAT**"), which is the appellate authority constituted under the RDB Act.

Further, no court or other authority, except the Supreme Court of India or a high court exercising jurisdiction under Articles 226 and 227 of the Constitution of India, shall have, or is entitled to exercise, any jurisdiction, powers or authority in relation to the aforementioned matter.

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act")

The SARFAES1 Act, read with the Security Interest Enforcement Rules, 2002, as amended, governs securitization of assets in India. Any securitization or reconstruction company may acquire assets of a bank or financial institution by either entering into an agreement with such bank or financial institution for transfer of such assets to the company or by issuing a debenture or bond or other security in the nature of debentures, for consideration, as per such terms and conditions as may be mutually agreed. If a bank or financial institution is a lender in relation to financial assets acquired by the securitization/reconstruction company, such company shall be deemed to be the lender in relation to those financial assets.

The SARFAESI Act provides for sale of financial assets by banks and financial institutions to asset reconstruction companies. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default. The Prudential Norms issued by the RBI describe the process to be followed for sales of financial assets to asset reconstruction companies. The banks may not sell financial assets at a contingent price with an agreement to bear a part of the shortfall on ultimate realisation.

The SARFAESI Act provides for the enforcement of security interest without the intervention of the courts. Under the provisions of the SARFAESI Act, a secured creditor can recover dues from its borrowers by taking any of the measures as provided therein. Rights, with respect to the enforcement of security interest, under the SARFAESI Act cannot be enforced unless the account of the borrower has been classified as an NPA in the books of account of the secured creditor in accordance with the directions or guidelines issued by the RBI or any other applicable regulatory authority.

The secured creditors must serve a 60-days' notice on the borrower demanding repayment of the amount due and specifying the borrower's assets over which the bank proposes to exercise remedies. If the borrower still fails to pay, the secured creditors, on expiry of the 60-days' notice period, can: (i) take possession of the secured assets; (ii) take over the management of the secured assets along with the right to transfer by way of lease, assignment or sale of the secured assets; (iii) appoint any person to manage the secured assets; and (iv) require any person who has acquired any of the secured assets from the borrower to pay amounts necessary to satisfy the debt.

The security interests covered by the SARFAESI Act are security interests over immovable and movable property, existing or future receivables, certain intangible assets (such as know- how, patents, copyrights, trademarks, licenses, franchises) and any debt or any right to receive payment of money, or any receivable, present or future, and in which security interest has been created. Security interests over ships and aircraft, any statutory lien, a pledge of movables, any conditional sale, hire purchase or lease or any other contract in which no security interest is created, rights of unpaid sellers, any property not liable to attachment, security interest for securing repayment of less than ₹ 100,000, agricultural land and any case where the amount due is less than 20% of the principal amount and interest are not enforceable under the SARFAESI Act.

In the event that the secured creditor is unable to recover the entire sum due by exercise of the remedies under the SARFAESI Act in relation to the assets secured, such secured creditor may approach a debt recovery tribunal or the relevant court for the recovery of the balance amounts. A secured creditor may also simultaneously pursue its remedies under the SARFAESI Act as well as a debt recovery tribunal.

The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 ("ESIRDA Amendment Act")

The ESIRDA Amendment Act received Presidential Assent on August 12, 2016. It seeks to amend certain provisions of the SARFAESI, RDB Act, the Indian Stamp Act, 1899 and the Depositories Act, 1996.

The key amendments to the SARFAESI include: (a) Debenture Trustees registered with SEBI have now been included in the definition of 'secured creditor' and can take enforcement action under Section 13 of the SARFAESI, as the remedies under SARFAESI have been extended to apply to listed debt securities. The scope of SARFAESI has been widened to include hire purchase, financial leasing and conditional sale transactions; (b) the process of taking possession over collateral against which a loan has been provided by a secured creditor, with the assistance of the Chief Metropolitan Magistrate or District Magistrate, has been made time-bound, requiring an order to be passed within 30 days from the date of the application by the secured creditor; and (c) amendments in relation to registration of security interest have been introduced, including *inter alia* setting up of a central database to integrate records of security registered under various registration systems.

The key amendments to the RDB Act include (a) Debenture Trustees registered with SEBI can initiate proceedings under the RDB Act regarding defaults in listed debt securities; (b) a bank or a financial institution has now been permitted to take proceedings under the RDB Act before a tribunal in whose jurisdiction where the defaulted account is maintained / located; (c) a defendant, upon service of summons under the RDB act, is restricted from transferring the secured assets or other assets disclosed in the application made by the bank of financial institution without the approval of the tribunal, except in the ordinary course of business; and (d) electronic filing of recovery application, documents and written statements has been introduced.

Prevention of Money Laundering Act, 2002 ("PMLA")

In order to prevent money laundering activities, the Government enacted the PMLA which seeks to prevent money laundering and to provide for confiscation of property derived from, or involved in money laundering, and for incidental matters connected therewith. Section 12 of the PMLA casts certain obligations on, *inter alia,* banking companies in regard to preservation and reporting of customer account information.

The RBI has advised all banks to go through the provisions of the PMLA and the rules notified thereunder and to take all steps considered necessary to ensure compliance with the requirements of Section 12 of the PMLA.

Master Circulars and Directions of Reserve Bank of India

Priority sector lending

The Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2020 dated September 04, 2020 ("**PSL Master Directions**"), as amended from time to time, sets out the broad policy in relation to priority sector lending. In accordance with this circular, the priority sectors for all scheduled banks include (i) agriculture; (ii) micro, small and medium enterprises; (iii) export credit; (iv) education; (v) housing; (vi) social infrastructure; (vii) renewable energy and (viii) others.

Further, it also prescribes the details of eligible activities under the aforesaid categories. Under the aforementioned master direction, the priority sector lending targets are linked to adjusted net bank credit as defined ("**ANBC**") or credit equivalent amount of off-balance sheet exposure ("**CEOBE**"), whichever is higher, as on the corresponding date of the preceding year. Currently, the total priority sector lending target for domestic banks is 40% of ANBC or CEOBE, whichever is higher. This has to be achieved in a phased manner by 2020 as prescribed in the directions. It also prescribed sub-targets for small and marginal farmers, micro-enterprises and weaker sections. By way of a notification dated September 20, 2019, the RBI has, in relation to export credit, enhanced the sanctioned limit, for classification of export credit under priority sector lending, from ₹250 million per borrower to ₹ 400 million per borrower and removed the existing criteria of 'units having turnover of up to ₹ 1 billion.

The RBI via circular reference FIDD.CO.Plan.BC.7/04.09.01/2019-20 dated August 13, 2019, decided that bank credit to registered NBFCs (other than MFIs) for on-lending will be eligible for classification as priority sector under respective categories, subject to the conditions laid out therein. This was to be applicable will March 31, 2020, and was subject to review thereafter. Therefore, RBI via FIDD.CO.Plan. BC.No.19/04.09.01/2019-20 dated March 23, 2020 decided to extend the priority sector classification for bank loans to NBFCs for on-lending for FY 2020-21. Further, existing loans disbursed under the on-lending model will continue to be classified under Priority Sector till the date of repayment/maturity.

The RBI via master circular reference FIDD.CO.Plan.BC.5/04.09.01/2020-21 dated September 4, 2020, amended the definition of MSME in line with amendment to MSME Act and also aligned guidelines to bring sharper focus on inclusive development and achieve sustainable development goals.

The PSL Master Directions requires the banks to furnish the data on priority sector advances on a quarterly and annual basis and also provides for measures to be taken in the event of non-achievement of the prescribed targets which includes Banks having any shortfall in lending to priority sector shall be allocated amounts for contribution to the Rural Infrastructure Development Fund established with National Bank For Agriculture And Rural Development ("**NABARD**") and other funds with NABARD /National Housing Bank / Small Industries Development Bank of India / Micro Units Development and Refinance Agency Limited, as decided by the RBI from time to time and such non-achievements shall also be taken into account while granting regulatory clearances/approvals for various purposes.

Exposure norms

As a prudent measure aimed at better risk management and avoidance of concentration of credit risk, the RBI advised the banks to fix limits on their exposure to specific industry or sectors and has prescribed credit exposure for banks in respect of their lending to individual borrowers and to all borrowers belonging to a single group. In addition, banks are also required to observe certain statutory and regulatory exposure limits in respect of advances against / investments in shares, convertible debentures /bonds, units of equity-oriented mutual funds and all exposures to venture capital funds ("**VCFs**").

The RBI pursuant to Master Circular on Exposure Norms dated July 1, 2015, has prescribed exposure ceiling for a single borrower as 15% of capital funds and group exposure limit as 40% of capital funds comprising of Tier I and Tier II capital. Relaxations are permitted in exceptional circumstances, with the approval of their boards or lending to infrastructure sector or lending to oil companies who have been issued oil bonds by Government of India. The total exposure (both lending and investment) to a single NBFC, NBFC-AFC (Asset Financing Companies) and infrastructure finance companies should not exceed 10%, 15% and 15% respectively, of the bank's capital funds as per its last audited balance sheet. The limit may be increased by another 5% provided that the excess exposure is on account of funds on-lent to the infrastructure sector.

Section 19(2) of the Banking Regulation Act, 1949, restricts a banking company from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30%of its own paid-up share capital and reserves, whichever is less, except as provided in sub-section (1) of Section 19 of the Act.

The aggregate exposure of a bank to the capital markets in all forms (both fund based and non-fund based) should not exceed 40% of its net worth, on both standalone and consolidated basis as on March 31 of the previous year. Within this overall ceiling, the bank's direct investment in shares, convertible bonds/debentures, units of equity oriented mutual funds and all exposures to VCFs (both registered and unregistered) should not exceed 20% of its net worth on both standalone and consolidated basis.

On August 25, 2016, the RBI released guidelines on 'Enhancing Credit Supply for Large Borrowers through

Market Mechanism' with the objective of mitigating the risk posed to the banking system on account of large aggregate lending to a single corporate. As per the framework, exposure to corporate with large borrowing from banking system beyond the prescribed limit would attract additional provisions and higher risk weights.

On June 3, 2019, the RBI released the guidelines on 'Large Exposures Framework to align the exposure norms for Indian banks' with the Basel Committee. As per the framework, the sum of all exposure values of a bank to a counterparty or a group of connected counterparties is defined as a 'Large Exposure (LE)', if it is equal to or above 10 percent of the bank's eligible capital base (i.e., Tier 1 capital) and the bank is required to report their LE to the Reserve Bank of India (RBI) and Department of Banking Supervision, Central Office, (DBS, CO). Further, exposure limits to a single counterparty and group of connected counterparties will be 20% (extendable up to additional 5% exposure by the board of the banks during exceptional circumstances) and 25% of available eligible capital base respectively.

Central Repository of Information on Large Credits

The RBI has *vide* its circular dated May 22, 2014, set up the Central Repository of Information on Large Credits ("**CRILC**") to collect, store and disseminate data on all borrowers' credit exposures including 'special mention accounts' (SMA 0, 1 & 2) having aggregate fund-based and non-fund based exposure of ₹ 50 million and above. The CRILC is designed entirely for supervisory purposes and its focus is on the reporting entities' exposure to the borrower (as individual and/or as a group) under various heads, such as bank's exposure to a large borrower; the borrower's current account balance; bank's written-off accounts; and identification of non-cooperative borrowers, among others. Further, the CRILC system started with information on SMA2 (default for 61-90 days) to be submitted on as and when basis i.e., whenever repayment for a large borrower's account becomes overdue for 61 days it is to be reported by the bank immediately.

Further, in terms of RBI circular dated June 7, 2019, all banks are required to report to CRILC, on a monthly basis, exposures of individuals and entities having exposure (both fund and non-fund based) of more than ₹ 50 million. Banks are also required to report to CRILC, on a weekly basis for all borrower entities in default, having aggregate exposure of more than ₹50 million. In addition, banks are required to report to CRILC the classification of an account to 'special mention account' in respect of borrower entities having aggregate exposure of more than ₹ 50 million. Any non-submission of or incorrect reporting in these returns attracts penalties as specified in the Banking Regulation Act.

Short selling of Government securities

As per the Master Circular on Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks dated July 1, 2015, banks and primary dealers are allowed to undertake short sale of Government dated securities, subject to the short position being covered within a maximum period of three months, including the day of trade and in accordance with the conditions prescribed, therein. Further, such short positions shall be covered only by outright purchase of an equivalent amount of the same security or through a long position in the 'when issued' market or allotment in primary auction.

Short Sale (Reserve Bank) Directions, 2018 ("Short Sale Directions")

The RBI *vide* its circular dated July 25, 2018 *inter alia* enabled the scheduled commercial banks, primary dealers and any other regulated entity which have the approval of the concerned regulator (as defined thereunder) to undertake 'Short Sales' which means sale of a security one does not own. Banks may treat sale of a security held in the investment portfolio as a short sale and follow the process laid down in the abovementioned directions. These transactions shall be referred to as 'notional' short sales.

The Short Sale Directions prescribe the eligible entities (i.e., Scheduled commercial banks, Primary Dealers, Urban Cooperative Banks as permitted under circular UBD.BPD (PCB). Circular No.9/09.29.000/2013-14 dated September 4, 2013, any other regulated entity which has the approval of the SEBI, IRDA, PFRDA, NABARD, NHB), operational requirements, internal control, and reporting requirements to be followed by the eligible entities undertaking these activities.

The RBI has instructed such eligible entities undertaking short sales to ensure that these transactions are in conformity with fair market practices and that their activity does not lead to market distortions. The eligible entities will be required to put in place a written policy on all aspects of short sales, including, in the case of banks, notional short sales, which should be approved by their respective Boards of Directors or equivalent body. The policy should lay down the internal guidelines which should include, *inter alia*, risk limits on short position, an aggregate nominal short sale limit (in terms of face value) across all eligible securities, stop loss limits, the internal control systems to ensure adherence to regulatory and internal guidelines, procedure to deal with violations, etc. The eligible entities will also need to report to RBI any suspected cases of market abuse regardless of whether it was by their own employee, client or other market participant.

Regulations relating to interest rates on deposits and advances

The RBI has issued Reserve Bank of India – (Interest rate on Deposits) Directions, 2016 dated March 3, 2016 (updated as of February 22, 2019). Scheduled commercial banks are required to pay interest on deposits of money (other than current account deposits) accepted by them or renewed by them in their domestic, ordinary non-resident (NRO), non-resident (external) accounts (NRE) and foreign currency (non-resident) accounts (banks) scheme deposit account), subject to certain conditions prescribed in the directions. Further, certain additional restrictions have been prescribed to determine interest rates for savings deposits and term deposits. Additionally, interest rates offered by banks on NRO and NRE deposits cannot be higher than those offered by them on comparable domestic rupee term deposits.

The RBI has issued Reserve Bank of India – (Interest rate on Advances) Directions, 2016 dated March 3, 2016 (updated as of June 10, 2021). Scheduled commercial banks shall charge interest on advances on the terms and conditions specified in these directions. Further, the bank shall have freedom to offer all categories of advances on fixed or floating rates. There shall be no lending below the benchmark rate for a particular maturity for all loans linked to that benchmark.

Deposit insurance

Demand and time deposits of up to ₹ 5,00,000 accepted by all commercial banks including branches of foreign banks functioning in India, local area banks and regional rural banks are insured by Deposit Insurance and Credit Guarantee Corporation, a wholly owned subsidiary of the RBI. Each depositor in a bank is insured up to a maximum of ₹ 500,000 for both principal and interest amount held by him in the same right and same capacity as on the date of liquidation/cancellation of bank's license or the date on which the scheme of amalgamation / merger / reconstruction comes into force. Banks are required to pay the insurance premium for the eligible amount to the Deposit Insurance and Credit Guarantee Corporation on a half yearly basis. The cost of the insurance premium cannot be passed on to the customer and is borne entirely by the bank.

Regulations relating to Know Your Customer ("KYC") and anti-money laundering

The RBI issued the Reserve Bank of India Master Direction-Know Your Customer (KYC) Directions, 2016 ("**KYC Directions**") on February 25, 2016, (as updated up to May 10, 2021), prescribing the guidelines for KYC and anti-money laundering procedures. Banks are required to formulate a KYC policy which shall include (i) customer acceptance policy, (ii) customer identification procedures, (iii) monitoring of transactions and (iv) risk management. In relation to each of the above, the master direction also specifies minimum procedures required to be followed by banks. Banks are not permitted to make payment of cheques/drafts/pay orders/banker's cheques if they are presented beyond the period of three months from the date of such instrument.

Banks have been advised to ensure that systems and procedures are in place to control financial frauds, identify money laundering or financing of terrorism activities and suspicious activities and monitor high value cash transactions. Banks shall carry out 'Money Laundering (ML) and Terrorist Financing (TF) Risk Assessment' exercise periodically to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk and our Bank is in the process of issuing RFP for outsourcing of the said risk assessment, suggesting mitigation measures. Further, banks have also been advised to ensure that adequate policies are formulated and adopted in relation to KYC and Anti Money Laundering.

RBI in its circular DOR.AML.REC 13/14.01.001/2021-22 dated May 5, 2021 advised the Regulated Entities (REs) who have to carry out periodic updation of KYC of existing customers as per Section 38 of the KYC Directions, that keeping in view the current Covid-19 related restrictions in various parts of the country, the customer accounts where periodic updation of KYC is due and pending as on date, no restrictions on operations of such account shall be imposed till December 31, 2021, for this reason alone, unless warranted under instructions of any regulator/ enforcement agency/court of law, etc. Further, RBI *vide* its circular DOR.AML.REC.74/14.01.001/2021-22 dated December 30, 2021 extended the aforementioned circular till March 31, 2022.

Regulations relating to maintenance of statutory reserves

A bank is required to maintain, on a daily basis, Cash Reserve Ratio ("**CRR**"), which is a specified percentage of its Net Demand and Time Liabilities ("**NDTL**"), excluding interbank deposits, by way of a balance in a current account with the RBI. The RBI does not pay any interest on CRR balances. The CRR has to be maintained on an average basis for a fortnightly period and the minimum daily maintenance of the CRR should be 90% effective from the fortnight beginning April 16, 2016. The RBI may impose penal interest at the rate of 3% above the bank rate on the amount by which the reserve falls short of the CRR required to be maintained on a particular day and if the shortfall continues further, the penal interest charged shall be increased to a rate of 5% above the bank rate in respect of each subsequent day, during which the default continues.

In light of the Covid-19 pandemic, the RBI has *vide* circular issued on May 22, 2020 to all scheduled and non-scheduled banks, revised the Bank Rate downwards by 40 basis points from 4.65% to 4.25% with effect from May 22, 2020. In case of default in the maintenance of CRR, on average basis during the fortnight, penal interest will be recovered as envisaged under Section 42(3) of the RBI Act.

In light of the recent Covid-19 pandemic, the RBI *vide* its circular dated March 27, 2020, has reduced the CRR of all banks by 100 basis points from 4.00% to 3.00% of their NDTL with effect from the reporting fortnight beginning March 28, 2020 for a period of one year, ending on March 26, 2021. Further, *vide* RBI Circular dated February 5, 2021, it has been decided to gradually restore the CRR in two phases in a non-disruptive manner. Accordingly, banks are required to maintain the CRR at 3.50 per cent of their NDTL effective from the reporting fortnight beginning March 27, 2021 and 4.00 per cent of their NDTL effective from fortnight beginning May 22, 2021. Further, the RBI has also, *vide* a separate circular March 27, 2020, reduced the minimum daily maintenance of the CRR from 90% of the requirement to 80% effective from the fortnight beginning March 28, 2020. This one-time dispensation was initially available up to June 26, 2020 and subsequently extended for a further period of three months i.e., up to September 25, 2020 *vide* a separate circular dated June 26, 2020.

In addition to the CRR, a bank is required to maintain Statutory Liquidity Ratio ("**SLR**"), a specified percentage of its NDTL, by way of liquid assets like cash, gold or approved unencumbered securities. The percentage of this liquidity ratio is fixed by the RBI from time to time, pursuant to Section 24 of the Banking Regulation Act. At present, the required SLR is 18%.

Further, in December, 2011, the RBI has permitted banks to avail funds from the RBI on an overnight basis, under the Marginal Standing Facility ("**MSF**"), against their excess SLR holdings. Additionally, they can also avail themselves of funds, on an overnight basis below the stipulated SLR, up to 2% of their respective NDTL outstanding at the end of the second preceding fortnight. In light of the Covid-19 pandemic, the RBI *vide* its circular dated March 27, 2020, has raised the borrowing limit of scheduled banks (excluding Regional Rural Bank) under the MSF scheme from 2% to 3% of their NDTL outstanding at the end of the second preceding fortnight with immediate effect. The enhanced limit will be applicable up to June 30, 2020. Further RBI *vide* Circular dated February 5, 2021 stated that with a view to providing comfort to banks on their liquidity requirements, banks shall be allowed to continue with the MSF relaxation for a further period of six months, i.e., up to September 30, 2021.

RBI *vide* its circular DOR.RET.REC.36/12.01.001/2021-22 dated August 09, 2021 and paragraph 15(i) of the Master Direction on CRR and SLR dated July 20, 2021, stated that the banks were allowed to avail funds under the MSF by dipping into the SLR up to three per cent of their net demand and time liabilities (NDTL) outstanding at the end of the second preceding fortnight. This facility, which was initially available up to June 30, 2020, was later extended up to December 31, 2021 *vide* the same circular.

RBI *vide* its circular dated December 10, 2021stated that as announced in the Governor's Statement dated December 08, 2021, banks will be able to dip into the SLR up to two percent of NDTL instead of three percent for overnight borrowing under the MSF with effect from January 1, 2022 and shall return to normal dispensation.

Further, the RBI requires the banks to create a reserve fund to which it must transfer not less than 25% of the profits of each year before declaring dividends. If there is an appropriation from this account, the bank is required to report the same to the RBI within 21 days, explaining the circumstances leading to such appropriation.

Regulations relating to authorized dealers for foreign exchange and cross-border business transactions

The foreign exchange and cross border transactions undertaken by banks, both on its own account and also on behalf of customers, are subject to the provisions of FEMA and rules/ regulations/ directions and notifications issued thereunder. The bank should monitor all non-resident accounts and cross border transactions to prevent money laundering. RBI may impose penalty for contravention of Foreign Exchange Management Act and regulations/ notifications issued there under, or for contravention of any conditions, subject to which an authorization is issued by the RBI.

The Master Direction on Risk Management and Interbank Dealings, dated July 5, 2016, (Updated as on June 06, 2023) states that all categories of overseas foreign currency borrowings of AD Category I banks, including existing external commercial borrowings and loans or overdrafts from their head office, overseas branches and correspondents outside India, international/ multilateral financial institutions or any other entity as permitted by RBI and overdrafts in nostro accounts (not adjusted within five days), shall not exceed 100% of their unimpaired Tier I capital or U.S. Dollar 10 million (or its equivalent), whichever is higher.

The following borrowings would continue to be outside the limit of 100 per cent of unimpaired Tier I capital or USD 10 million (or its equivalent), whichever is higher:

(i) Overseas borrowings by AD Category I banks for the purpose of financing export credit subject to the conditions prescribed in DBOD Master Circular dated July 2, 2015 on Rupee / Foreign Currency Export Credit & Customer Service To Exporters.

(ii) Subordinated debt placed by head offices of foreign banks with their branches in India as Tier II capital.

(iii) Capital funds raised/augmented by the issue of Innovative Perpetual Debt Instruments and Debt Capital Instruments, in foreign currency, in terms of Circulars DBOD. No. BP.BC.57/21.01.002/2005-06 dated January 25, 2006, DBOD. No. BP.BC.23/21.01.002/2006-07 dated July 21, 2006 and Perpetual Debt Instruments and Debt Capital Instruments in foreign currency issued in terms of circular DBOD.No.BP.BC.98/21.06.201/2011-12 dated May 2, 2012; and

(iv) Any other overseas borrowing with the specific approval of the Reserve Bank.

The borrowings beyond 50 per cent of unimpaired Tier I capital of AD Category – I banks will be subject to the following conditions:

(i) The bank should have a Board approved policy on overseas borrowings which shall contain the risk management practices that the bank would adhere to while borrowing abroad in foreign currency.

(ii) The bank should maintain a CRAR of 12.0 per cent; and

(iii) The borrowings beyond the existing ceiling shall be with a minimum maturity of three years.

Secrecy obligations

A bank's obligations relating to maintaining secrecy arise out of Section 13 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 and common law principles governing its relationship with its customers. Subject to certain exceptions, a bank cannot disclose any information to third parties. Further, the RBI may, in the public interest, publish the information obtained from the bank.

Ownership restrictions

Under the current policy, the total foreign ownership in a private sector bank cannot exceed 74% (49% under the automatic route and above 49% and up to 74% under the government approval route) of the paid-up capital. At all times, at least 26% of the paid up capital will have to be held by residents, except in regard to a wholly owned subsidiary of a foreign bank.

The Banking Regulation Act requires any person to seek prior approval of the RBI to acquire or agree to acquire, directly or indirectly, shares or voting rights of a bank, by himself or with persons acting in concert, wherein such acquisition (taken together with shares or voting rights held by him or his relative or associate enterprise or persons acting in concert with him) results in aggregate shareholding of such person to be 5% or more of the paid up capital of a bank or entitles him to exercise 5% or more of the voting rights in a bank.

Further, the RBI may, by passing an order, restrict any person holding more than 5.00% of the total voting rights of all the shareholders of the banking company from exercising voting rights on poll in excess of the said 5%, if such person is deemed to be not 'fit and proper' by the RBI. Pursuant to Section 12(2) of the Banking Regulation Act, 1949, the RBI has, on July 21, 2016, notified that no shareholder in a bank can exercise voting rights on poll in excess of 26% of total voting rights of all the shareholders of the bank.

Further, the RBI may, by passing an order, restrict any person holding more than 5.00% of the total voting rights of all the shareholders of the banking company from exercising voting rights on poll in excess of the said 5%, if such person is deemed to be not 'fit and proper' by the RBI. In this regard, the RBI has issued master directions for prior approval for acquisition of shares or voting rights on January 16, 2023 (the "**Master Directions for Acquisitions**").

The Master Directions for Acquisitions are applicable to the existing and proposed "major shareholders" of all banking companies as defined under the Banking Regulation Act including local area banks, small finance banks and payment banks. The Master Directions for Acquisitions define a "major shareholding" as "aggregate holding" of five per cent or more of the paid-up share capital or voting rights in a banking company by a person. The term "aggregate holding" has been defined as the total holding, directly or indirectly, beneficial or otherwise, of shares or voting rights by a person along with his relatives, associate enterprises and persons acting in concert with him in a banking company.

Every person desirous of undertaking such acquisition shall seek prior approval of the RBI as per the procedure set out in the Master Directions for Acquisitions. Any person who intends to acquire shares or voting rights in a banking company beyond the limit for which approval was obtained from the Reserve Bank, is required to apply to the Reserve Bank for prior approval to increase their aggregate holding in the banking company. It is the responsibility of the concerned bank to ensure that all its major shareholders are 'fit and proper' and every bank shall make continuous monitoring arrangements to ensure that the major shareholders continue to be 'fit and proper' as per the Master Directions for Acquisitions.

Further, SEBI has, through a circular dated April 5, 2018, put in place a system for monitoring foreign investment limits in listed Indian companies, and, by a circular dated May 17, 2018, SEBI has directed that the system be made operational from June 1, 2018. Accordingly, each listed Indian company shall have to appoint any one depository as its designated depository to facilitate the monitoring of the foreign investment limits.

Additionally, the DIPP by way of press note no. 3 (2020 series) amended the FEMA Regulations by restricting foreign direct investments by an entity of any country which shares a border with India or where the beneficial owner of an investment into India is situated in or is a citizen of such country, only through the Government approval.

Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021

Securitisation involves transactions where credit risk in assets are redistributed by repackaging them into tradeable securities with different risk profiles which may give investors of various classes access to exposures which they otherwise might be unable to access directly. Keeping in view that complicated and opaque securitisation structures could be undesirable from the point of view of financial stability, prudentially structured securitisation transactions can be an important facilitator in a well-functioning financial market in that it improves risk distribution and liquidity of lenders in originating fresh loan exposures, the RBI issued the RBI (Securitisation of Standard Assets) Directions, 2021 *vide* its circular dated September 24, 2021, which are applicable to all the scheduled commercial banks in India.

Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021

Loan transfers are resorted to by lending institutions for multitude of reasons ranging from liquidity management, rebalancing their exposures or strategic sales. A robust secondary market in loans can be an important mechanism for the management of credit exposures by lending institutions and also create additional avenues for raising liquidity. Thus, RBI *vide* its circular dated September 24, 2021, notified RBI (Transfer of Loan Exposures) Directions, 2021 which is a comprehensive set of regulatory guidelines governing the transfer of loan exposures, which are applicable to all the scheduled commercial banks in India.

Master Direction on Transfer of Loan Exposure was amended to inter alia permit overseas branches of specified lenders to (a) acquire only 'not in default' loan exposures from a financial entity operating and regulated as a bank in the host jurisdiction; (b) transfer exposures ‘in default’ as well as ‘not in default’ pertaining to resident entities to a financial entity operating and regulated as a bank in the host jurisdiction; and (c) transfer exposures ‘in default’ as well as ‘not in default’ pertaining to non-residents, to any entity regulated by a financial sector regulator in the host jurisdiction. Amendments have also been made in certain provisions related to minimum holding period (MHP), valuation of security receipts (SRs), transfer of stressed loans to ARCs, and credit/ investment exposure of lenders. Additionally, the term ‘Economic Interest’ has now been explicitly defined as ‘the risks and rewards that may arise out of loan exposure through the life of the loan exposure’.

Downstream investment by banks

In accordance with Rule 23 of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, downstream investments made by a banking company, as defined in section 5(c) of the Banking Regulation Act, incorporated in India, which is owned or controlled by non-residents/non-resident entity, under corporate debt restructuring, or other loan restructuring mechanism, or in trading books, or for acquisition of shares due to defaults in loans, shall not count towards indirect foreign investment. However, their 'strategic downstream investment' shall count towards indirect foreign investment. For this purpose, 'strategic downstream investments' would mean investment by these banking companies in their subsidiaries, joint ventures, and associates.

Regulation of financial services provided by banks

The Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 dated May 26, 2016 as updated on August 10, 2021require banks to comply with certain restrictions while undertaking financial services including in relation to risk mitigation measures, limits on investment that can be made by banks in companies undertaking financial services. The directions also provide for specific regulations for certain financial services such as, *inter alia*, setting of an infrastructure debt fund, underwriting activities, mutual fund business, insurance.

Guidelines on management of intra-group transactions and exposures

The RBI issued the “Guidelines on Management of Intra-Group Transactions and Exposures on February 11, 2014”. Pursuant to the said guidelines, the RBI has prescribed quantitative limits on financial intra-group transactions and exposures and prudential measures for the non-financial intra-group transactions and exposures. These guidelines also require that all intra- group transactions to be at “arms-length”.

The objective of these guidelines is to ensure that banks engage in intra-group transactions and exposures in safe and sound manner in order to contain concentration and contagion risks arising out of such transactions.

Capital and provisioning requirements for exposures to entities with unhedged foreign currency exposure

The RBI issued a circular relating to “Capital and Provisioning Requirements for Exposures to entities with Unhedged Foreign Currency Exposure” on January 15, 2014. Pursuant to these guidelines, the RBI has introduced incremental provisioning and capital requirements for bank exposures to entities with unhedged foreign currency exposures. The circular also lays down the method of calculating the incremental provisioning and capital requirements. The banks will be required to calculate the incremental provisioning and capital requirements at least on a quarterly basis. This framework became fully effective from April 1, 2014.

Revised Prompt Corrective Action (PCA) framework for banks

The RBI *vide* its circular dated April 13, 2017 had reviewed and revised the Prompt Corrective Action (PCA) framework for banks, which was effective from April 1, 2017. Further, RBI *vide* its circular dated November 2, 2021, stated that the existing PCA Framework has further been revised and the new provisions will be effective from January 1, 2022. The PCA framework sets out certain ‘risk thresholds’, the breach of which would mandate the relevant bank to implement certain mandatory and discretionary actions. The ‘risk thresholds’ take into consideration the capital adequacy ratio, net non-performing advances ratio and the leverage ratio of the relevant bank.

The Banking Ombudsman Scheme, 2006

The Banking Ombudsman Scheme, 2006 provides the extent and scope of the authority and functions of the Banking Ombudsman for redressal of grievances against deficiency in banking services, concerning loans and advances and other specified matters and has gone through various amendments to provide for revised procedures for redressal of grievances by a complainant under the scheme and to broaden the scope of complaints addressed by the Banking Ombudsman. RBI *vide* its circular dated November 12, 2021 being satisfied that it is in public interest to do so to make the alternate dispute redress mechanism simpler and more responsive to the customers of entities regulated by it integrated the three Ombudsman schemes – (i) the Banking Ombudsman Scheme, 2006, as amended up to July 01, 2017; (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and (iii) the Ombudsman Scheme for Digital Transactions, 2019 into the Reserve Bank - Integrated Ombudsman Scheme, 2021 (the Scheme), thereby being applicable to commercial banks as well.

Declaration of dividend by banks

The payment of dividends by banks is subject to restrictions under the Banking Regulation Act. Section 15(1) of the Banking Regulation Act states that no banking company may pay any dividend on its shares until all its capitalized expenses (including preliminary expenses, organisation expenses, share-selling commissions, brokerage, amounts of losses incurred and any other item of expenditure not represented by tangible assets) have been completely written off. In addition, Section 17(1) of the Banking Regulation Act and RBI circular dated September 20, 2006 requires every banking company to create a reserve fund and, out of the balance of the profit of each year as disclosed in the profit and loss account, transfer a sum equivalent to not less than 20% of such profit to the reserve fund before declaring any dividend. If there is an appropriation from this account, the bank is required to report the same to the RBI within 21 days, explaining the circumstances leading to such appropriation.

Further, on May 4, 2005, the RBI issued guidelines on ‘Declaration of Dividends by Banks’, which prescribed certain conditions for declaration of dividends by banks.

In light of the recent Covid-19 situation, the RBI has mandated on December 4, 2020, that the banks shall not make any further dividend payouts from the profits pertaining to the financial year ended March 31, 2020 until further instructions. RBI has further *vide* circular dated December 4, 2020 has stated – “in view of the ongoing stress and heightened uncertainty on account of Covid-19, it is imperative that banks continue to conserve capital to support the economy and absorb losses. In order to further strengthen the banks’ balance sheets, while at the same time support lending to the real economy, it has been decided that Banks shall not make any dividend payment on equity shares from the profits pertaining to the financial year ended March 31, 2020.

Classification and Reporting of Fraud Cases

The RBI issued a master direction on July 1, 2016 (as updated up to July 3, 2017) on the classification and reporting of fraud cases. The fraud cases have been classified into misappropriation and criminal breach of trust, fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property, unauthorized credit facilities extended for reward or for illegal gratification, negligence and cash shortages, cheating and forgery, fraudulent transactions involving foreign exchange and any other type of fraud not coming under the specific heads as above. Cash shortages resulting from negligence and fraudulent forex transactions involving irregularities / violation of regulations have also to be reported as fraud if the intention to cheat/defraud is suspected or proved.

Information relating to frauds for the quarters ending June, September and December may be placed before the audit committee of the board of directors during the month following the quarter to which it pertains. Banks are also required to conduct an annual review of the frauds and place a note before the board of directors for information. The reviews for the year-ended March may be put up to the board of directors before the end of the next quarter i.e., for the quarter ended June 30 and such reviews need not be sent to RBI. These may be preserved for verification by the Reserve Bank’s inspecting officers.

Additionally, banks have to constitute a special committee for monitoring and follow up of cases of frauds involving amounts of 10 million and above exclusively. Such committee is required to meet and review as and when a fraud involving an amount of ₹10 million and above comes to light. Pursuant to the RBI notification dated January 21, 2016, the RBI, has *inter alia*, increased the limits in relation to flash reporting to RBI of fraud cases to ₹ 50 million as against the earlier limit of ₹10 million and above.

Issue of Long Term Bonds by Banks - Financing of Infrastructure and Affordable Housing

In order to ensure adequate credit flow to infrastructure sector also towards the affordable housing needs of the country, RBI issued guidelines on issue of long term bonds by banks on July 15, 2014 (“Infrastructure and Affordable Housing Guidelines”), amended from time to time. Banks can issue long-term bonds with a minimum maturity of seven years to raise resources for lending to (i) long term projects in infrastructure sub-sectors, and (ii) affordable housing. As a regulatory incentive, these bonds exempted from computation of net demand and time liabilities and would therefore not be subjected to CRR / SLR requirements subject to certain conditions. Eligible bonds will also get exemption in computation of ANBC for the purpose of priority sector lending ("**PSL**").

Marginal Cost of Funds based Lending Rate (MCLR)

Pursuant to the notification issued by RBI dated December 17, 2015, all rupee loans sanctioned and credit limits renewed w.e.f. April 1, 2016 were priced with reference to the MCLR which is the internal benchmark for such purposes. MCLR comprises of: (a) marginal cost of funds; (b) negative carry on account of CRR; (c) operating costs and; (d) tenor premium.

In terms of the notification, the board of directors of the banks is required to adopt a policy delineating the components of spread charged to a customer. Actual lending rates are to be determined by adding the components of spread to the MCLR.

External benchmark based lending

The RBI *vide* circular dated September 04, 2019 (as amended from time to time) mandated that all new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans extended by banks to Micro and Small Enterprises from October 01, 2019 and floating rate loans to Medium Enterprises from April 01, 2020 extended by banks shall be linked to external benchmarks. Banks are free to offer such external benchmark linked loans to other types of borrowers as well.

In furtherance of the same, the said new floating rate shall be benchmarked to one of the following: (1) RBI's policy repo rate; (2) Government of India 3-Months Treasury Bill yield published by the Financial Benchmarks India Private Limited ("**FBIL**"); (3) Government of India 6-Months Treasury Bill yield published by the FBIL; and (4) Any other benchmark market interest rate published by the FBIL.

The adoption of multiple benchmarks by the same bank is not allowed within a loan category.

Banks are free to decide the spread over the external benchmark, subject to the conditions specified in the aforesaid circular. The interest rate under external benchmark shall be reset at least once in three months.

Implementation of Indian Accounting Standards ("Ind AS")

The MCA notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015, pursuant to which the banking companies were exempted to comply with Ind AS for preparation of financial statements. However, in terms of the MCA press release dated January 18, 2016, the scheduled commercial banks are required to prepare Ind AS based financial statements on consolidated and standalone basis in relation to accounting period beginning from April 1, 2018 onwards, with comparatives for the period ending March 31, 2018 or thereafter and not even voluntarily before that. Further, pursuant to the notification dated February 11, 2016, RBI has advised scheduled commercial banks to *inter alia*, set up a Steering Committee headed by an official of the rank of an Executive Director (or equivalent) comprising members from cross-functional areas of the bank to immediately initiate the Ind AS implementation process.

Earlier all scheduled commercial banks were required to follow Ind AS for financial statements for accounting periods beginning from April 1, 2018 onwards, which has now been deferred by RBI on March 22, 2019 until further notice, pending necessary legislative amendments to the Banking Regulation Act, 1949 and keeping in view, the level of preparedness of many banks. Ind AS would be applicable to both standalone financial statements and consolidated financial statements.

Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances dated April 1, 2023 ("Prudential Norms")

An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank. The Prudential Norms further, specify the timeline within which specific assets are to be considered non-performing. Once the account has been classified as a non-performing asset, the unrealized interest and other income already debited to the account is derecognized and further interest is not recognized or credited to the income account unless collected in cash. The Prudential Norms require banks to further classify NPAs into the following three categories based on the period for which the asset has remained non- performing and the realisability of the dues (i) sub-standard assets; (ii) doubtful assets; and (iii) loss assets. These norms also specify provisioning requirements specific to the classification of the assets.

The banks should maintain provisioning coverage ratio, including floating provisions, of at least 70.00%. In case of restructuring, the accounts classified as 'standard' shall be immediately downgraded as non-performing assets. Scheduled commercial banks shall report credit information, including classification of an account as SMA to Central Repository of Information on Large Credits ("**CRILC**"), on all borrowers having aggregate exposure of ₹5 crore and above with them. Banks must put in place Board-approved policies for resolution of stressed assets, including the timelines for resolution. Since default with any lender is a lagging indicator of financial stress faced by the borrower, it is expected that the lenders initiate the process of implementing a resolution plan (RP) even before a default.

In any case, once a borrower is reported to be in default by any of the lenders, lenders shall undertake a prima facie review of the borrower account within thirty days from such default. Any action by the Banks with an intent to conceal the actual status of accounts or evergreen the stressed accounts, will be subjected to stringent supervisory / enforcement actions as deemed appropriate by the Reserve Bank, including, but not limited to, higher provisioning on such accounts and monetary penalties.

Master Regulations and Guidelines of the SEBI

SEBI was established in 1992 in accordance with the provisions of the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") to protect the interests of public investors in securities and to promote the development of, and to regulate, the Indian securities market including all related matters. The SEBI Act also provides for the registration and regulation of the function of various market intermediaries including stock brokers, depository participants, merchant bankers, portfolio managers, investment advisers, and research analysts. Pursuant to the SEBI Act, SEBI has formulated various rules and regulations to govern the functions and working of these intermediaries. SEBI also issues various circulars, notifications and guidelines from time to time in accordance with the powers vested with it under the SEBI Act.

SEBI has the power to impose (i) monetary penalty under the SEBI Act and the regulations made thereunder, and (ii) penalties prescribed under the SEBI Intermediaries Regulations including suspending or cancelling the certificate of registration of an intermediary and to initiate prosecution under the SEBI Act. Further, SEBI has the power to conduct inspection of all intermediaries in the securities market, including, stock brokers, sub brokers, investment advisers, merchant bankers, underwriters, research analysts, to ensure, amongst others, that the books of account are maintained in the manner required in accordance with applicable law.

We are subject to regulations prescribed by SEBI in respect of capital issuances as well as some of our activities, including acting as agent for collecting subscriptions to public offerings of securities made by other Indian companies, underwriting, custodial, depositary participant, and investment banking and because our Equity Shares are listed on Indian stock exchanges. These regulations provide for registering with SEBI the functions, responsibilities, and the code of conduct applicable for each of these activities.

Guidelines on digital lending issued by RBI on September 2, 2022 ("Guidelines on Digital Lending")

The guidelines issued by RBI on September 2, 2022 are applicable to digital lending extended by (a) all commercial banks, (b) primary (urban) co-operative banks, state co-operative banks, district central co-operative banks, and (c) non – banking financial companies (including house finance companies).

The Guidelines on Digital Lending require, among other things: (a) all loan disbursals and repayments to be executed only between the bank accounts of the borrower and the regulated entity without any pass-through/ pool account of the loan service provider or any third party; (b) all-inclusive costs of digital loans to be disclosed to the borrower; (c) a cooling-off period to be provided to borrowers, during which the borrowers can exit digital loans by paying the principal and the proportionate costs without any penalty; (d) the appointment of a nodal grievance redressal officer by loan service providers; and (e) reporting of loans to credit information companies. Additionally, the Recommendations have noted some issues for further examination by the RBI, which may be incorporated into the Guidelines on Digital Lending in the future.

In the Guidelines on Digital Lending, the RBI has also provided that regulated entities engaged in credit delivery through digital lending will have time until November 30, 2022 to comply with the lending norms for repeat and top up loans to existing digital lending customers

Reserve Bank of India's Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021

The RBI issued the guideline for appointment/re-appointment of SCAs/ SAs of the entities on April 27, 2021 superseding all the previous guidelines as annexed in the guidelines. The guidelines are applicable to commercial banks (excluding RRBs), UCBs and NBFCs including HFCs for financial year 2021-22 and onwards. UCBs and NBFCs shall have the flexibility to adopt the guidelines from second half of financial year 2021-22 in order to ensure that there is no disruption. Under the guidelines, Commercial Banks and UCBs will be required to take prior approval of RBI for the appointment of SCAs/ SAs on annual basis.

It also specifies the maximum number of SCAs/ SAs to be appointed by the board based on the asset size of the entity. Entities are required to appoint audit firms as it SCAs/ SAs fulfilling the eligibility norms and independence of auditors requirements as prescribed under these directions. Other criteria's including eligibility for appointment based on the asset size of the entity being audited (as on March 31 of the previous year), professional standards for discharge of audit responsibilities, tenure and rotation, and audit fees and expenses for SCAs/ SAs have been provided. Each entity is required to formulate a board approved policy to be hosted on its official website/ public domain and formulate necessary procedure thereunder to be followed for appointment of SCAs/ SAs.

Other laws

In addition to the above, our Bank is also required to comply with the provisions of other applicable statutes imposed by the Central or the State Government and other authorities for our day-to-day business and operations. Our Bank is also amenable to various central and state tax laws.

ISSUE PROCEDURE

Below is a summary, intended to provide a general outline of the procedures for the Bidding, payment of Bid amount, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and prospective Bidders are presumed to have apprised themselves of the same from our Bank or the Book Running Lead Managers.

Our Bank, the Book Running Lead Managers and their respective directors, officers, agents, affiliates, shareholders, employees, counsel and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Bidders are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the Takeover Regulations, the Insider Trading Regulations, and other applicable laws.

Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that applied in the Issue were required to confirm and have represented to our Bank, the Book Running Lead Managers and their respective directors, officers, agents, affiliates, shareholders, employees, counsel and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Bank, the Book Running Lead Managers and their respective directors, officers, agents, affiliates shareholders, employees, counsel and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares. For details, see the sections titled, "Selling Restrictions" and "Transfer Restrictions" beginning on pages 258 and 267.

Qualified institutions placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document have not been filed as a prospectus with the SEBI/RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations through the mechanism of a qualified institutions placement ("**QIP**"). Under Chapter VI of the SEBI ICDR Regulations, our Bank, being a listed entity in India may issue Equity Shares to Eligible QIBs, provided that:

- a special resolution approving the qualified institutions placement has been passed by its shareholders. Such special resolution must *inter alia* specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP and (b) the Relevant Date;

- approval from the Ministry of Finance, GoI has been obtained on the basis of the recommendation from RBI specifying that the allotment of Equity Shares is proposed to be made pursuant to the QIP;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Bank, which are proposed to be allotted through the Issue, are listed on the recognized Stock Exchanges that has nation-wide trading terminals, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., the Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made;

- our Bank shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue; and

- the Directors are not fugitive economic offenders.

At least 10% of the equity shares issued to Eligible QIBs must be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

The above approval is subject to the following conditions as provided in the approval letter dated October 25, 2023 from the Ministry of Finance, GoI (**"GoI Approval Letters"**):

i. FDI Policy conditionalities (including, inter alia, paragraph 5.2(a) of the Policy, which provides that the FDI allowed is subject to applicable laws/ regulations) and other Sectoral Regulations/ Guidelines.

ii. Claim of any tax relief under the Income-Tax Act, 1961 or the relevant Double Taxation Avoidance Agreement (DTAA) will be examined independently by the tax authorities to determine the eligibility and extent of such relief and the approval of the Department of Financial Services by itself will not amount to any recognition of eligibility for giving such relief.

iii. Department of Financial Services approval by itself does not provide any immunity from tax investigations to determine whether specific or general anti-avoidance rules apply.

iv. The fair market value of various payments, services, assets, shares etc., determined in accordance with extent guidelines shall be examined by the tax authorities under the tax laws and rules in force and may be varied accordingly for tax purposes; and

v. The taxation of dividend, future capital gains on alienation of shares by the foreign investor, interest income and income of any other nature shall be examined by the field formation in accordance with the provision of Income-Tax Act, 1961 and DTAA applicable to the facts of the case.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued pursuant to this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of 4.932% of the Floor Price has been offered by our Bank in accordance with the provisions of the SEBI ICDR Regulations and in accordance with the approval of the shareholders of our Bank accorded through their resolution passed on June 19, 2023.

The "Relevant Date" referred to above means the date of the meeting in which the Board or the Committee of Board on Capital Raising decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

The Equity Shares will be Allotted within 365 days from the date of the shareholders' resolution approving the Issue, being June 19, 2023 and within 60 days from the date of receipt of Bid Amount from the Successful Bidders. For details of refund of Bid Amount, see "*– Pricing and Allocation – Designated Date and Allotment of Equity Shares*" on page 252.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Bank with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document or this Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Bank for making an application to subscribe to Equity Shares pursuant to the Issue.

This Issue was authorized and approved by the Board on May 8, 2023 and approved by the Shareholders in the

AGM held on June 19, 2023. The minimum number of Allottees with respect to a QIP shall at least be:

a. two, where the issue size is less than or equal to ₹250 crore; and

b. five, where the issue size is greater than ₹250 crore.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "—*Bid Process—Application Form*" on page 248.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on a recognised stock exchange.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue. AIFs and VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules are not permitted to participate in the Issue.

We had applied for and received the in-principle approvals from both BSE and NSE on December 12, 2023, under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares on the Stock Exchanges. We have filed a copy of the Preliminary Placement Document and this Placement Document with the Stock Exchanges.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in the Preliminary Placement Document as "U.S. QIBs", which, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Preliminary Placement Document as "QIBs") in transactions exempt from the registration requirements of the U.S. Securities Act) and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For a description of certain restrictions on transfer of the Equity Shares see the sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 258258 and 267, respectively.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue procedure

1. On the Bid / Issue Opening Date, our Bank in consultation with the Book Running Lead Managers have circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form has been specifically addressed to each such Eligible QIB. Our Bank shall maintain records of the Eligible QIBs to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched.

2. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form were delivered have been determined by our Bank in consultation with the Book Running Lead Managers, at their sole discretion. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which included the details of the bank account wherein the Bid Amount was deposited, were addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be

treated as invalid and shall be rejected. The Application Form was required to be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB could submit an unsigned copy of the Application Form, as long as the Bid Amount was paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form was submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids were being made on behalf of the Eligible QIB and the Application Form was unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so.

3. Eligible QIBs were required to submit a duly completed Application Form, including any revisions thereof along with the Bid Amount (which is to be transferred to the Escrow Account specified in the Application Form) and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Issue Period to the Book Running Lead Managers and their Bid Amount was deposited into the Escrow Account.

4. Bidders were required to indicate the following in the Application Form:

   - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details, phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they were agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

   - details of the beneficiary account maintained with the Depository Participant to which the Equity Shares should be credited;

   - that it had agreed to certain other representations set forth in the Application Form and the preliminary Placement Document;

   - a representation that it is either (i) outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S, or (ii) a “qualified institutional buyer” as defined in Rule 144A, and it has agreed to certain other representations set forth under the “*Representations by Investors*” on page 258 and “*Transfer Restrictions*” on page 267 and certain other representations set forth in the Application Form; and

   - an undertaking that they will deliver an offshore transaction letter to the Issuer prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S under the U.S. Securities Act.

Note: *Eligible FPIs were required to indicate the SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds were specifically required to state the names of the concerned schemes for which the Bids were made. In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund were not required to be treated as multiple Bids provided that the Bids clearly indicated the scheme for which the Bid was made. Application by various schemes or funds of a Mutual Fund were required to be treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them did not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable laws.*

5. Eligible QIBs were required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of **“*Indian Bank QIP 2023 Escrow Account*”** with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares was required to be made from the bank accounts of the relevant Bidders and our Bank shall keep a record of the bank account from where such payment has been received. Bid Amount payable on

Equity Shares to be held by joint holders was required to be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and receipt of final listing and trading approvals from the Stock Exchanges, Bid Amount received for subscription of the Equity Shares shall be kept by the Bank in a separate bank account with a scheduled bank. Notwithstanding the above, in the event (a) any Bidder was not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Bid Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" 254.

6. Once a duly completed Application Form was submitted by a Bidder and the Bid Amount was transferred to the Escrow Account, such Application Form constituted an irrevocable offer and the Bid could not be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount was required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date has been notified to the Stock Exchanges and the Eligible QIBs have been given notice of such date after receipt of the Application Form.

7. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, our Bank, in consultation with the Book Running Lead Managers, determined the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation of Equity Shares to be issued pursuant to the Issue. Upon such determination, the Book Running Lead Managers sent the serially numbered CANs, along with serially numbered Placement Document, in electronic form only, to the successful Bidders who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN contains details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation has been at the absolute discretion of our Bank and will be in consultation with the Book Running Lead Managers.**

8. Upon dispatch of the serially numbered Placement Document and CAN, our Bank shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Bank will inform the Stock Exchanges of the details of the Allotment.

9. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Bank shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

10. After receipt of the listing approvals of the Stock Exchanges, our Bank shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

11. Our Bank will then apply for the final trading approvals from the Stock Exchanges.

12. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

13. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Bank may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Bank and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Bank.

Eligible Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations, and not otherwise restricted from participating in the Issue under the applicable laws, including the SEBI Regulations and are residents of India or are Eligible FPI participating through Schedule II of the FEMA rules are eligible to invest in the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules have been considered as Eligible QIBs and are eligible to invest in this Issue, in accordance with the GoI Approval Letters. AIFs or VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules or FVCIs, multilateral or bilateral development financial institutions are not permitted to participate in this Issue.

Currently, the definition of a QIB as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations includes:

- Mutual funds, venture capital funds and alternate investment funds (except AIFs and VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules) registered with SEBI;
- Eligible FPIs other than individuals, corporate bodies and family offices;
- Public financial institutions;
- Scheduled commercial banks;
- State industrial development corporations;
- Multilateral and bilateral development financial institution;
- Insurance companies registered with IRDAI;
- Provident funds with minimum corpus of ₹25 crore;
- Pension funds with minimum corpus of ₹25 crore registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- National Investment Fund set up by Government of India, set up by resolution no. F. No. 2/3/2005-DDII, dated November 23, 2005 of the Government published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India; and
- Systemically important non-banking financial companies.

ELIGIBLE FPIs WERE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA NON-DEBT RULES IN THIS ISSUE. ELIGIBLE FPIs WERE PERMITTED TO PARTICIPATE IN THIS ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DID NOT EXCEED SPECIFIED LIMIT AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIs WERE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Please note that participation by non-residents in the Issue is restricted to participation by Eligible FPIs through the portfolio investment scheme under Schedule II of the FEMA Rules, subject to the limits prescribed under the SEBI FPI Regulations and the FEMA Rules. Further, AIFs or VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules or FVCIs, multilateral or bilateral development financial institutions are not permitted to participate in this Issue.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of the post-Issue equity share capital of our Bank, and the total holding of all FPIs, collectively, shall not exceed 20% of the paid-up equity share capital of our Bank. Further, if any FPI holds 10% or more of the Equity Share capital of our Bank, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

In terms of the approval of the GoI Approval Letters, prior approval of the GoI for the issuance of equity shares up to 20% of paid-up capital to FIIs/FPIs in the Issue, subject to provisions of the Banking Companies Act and other provisions of the Consolidated FDI Policy.

Allotments made to Eligible QIBs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. In terms of FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all FPIs shall be included. In accordance with the Consolidated FDI Policy, the total foreign ownership in a public sector bank, subject to Banking Companies Act, cannot exceed 20% of the paid-up capital. In accordance with Section 3(2D) of the Banking Companies Act, shareholding of non-residents in a corresponding new bank cannot exceed 20.00% of its paid up capital and in accordance with Section 3(2E) of the Banking Companies Act, no shareholder, other than the Government shall be entitled to exercise voting rights in excess of 10.00% of the total voting rights of all the shareholders of the corresponding new bank;

As of September 30, 2023, the aggregate FPI shareholding in our Bank is 4.30% of our Bank's paid up Equity Share capital (on a fully diluted basis). For further details, see "*Principal Shareholders and Other Information*" beginning on page 218.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being a promoter, or any person related to, the promoter. Eligible QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoter:

- rights under a shareholders' agreement or voting agreement entered into with the promoter or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on our Board

Provided, however, that an Eligible QIB which does not hold any equity shares in our Bank and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoter.

Our Bank, the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors, associates or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs were advised to ensure that any single application from them did not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Preliminary Placement Document and this Placement Document. Further, Eligible QIBs were required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations, and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of under subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid process

Application Form

Eligible QIBs could only use the serially numbered Application Forms (which are specifically addressed to them) supplied by our Bank and the Book Running Lead Managers in electronic form only for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Eligible QIB were deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 5, 258 and 267, respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India and is eligible to participate in this Issue;

2. The Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or promoter group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoter;

3. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

4. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder and not an FVCI or a multilateral or bilateral development financial institution. Each Eligible QIB confirms that it is not an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules. Each Eligible QIB confirms that they have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets;

5. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges. Additionally, this will be subject to the Selling and Transfer Restrictions under the applicable laws;

6. The Eligible QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

7. The Eligible QIB confirms that its Bid would not result in triggering an open offer under the Takeover Regulations;

8. The Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period, our Bank reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

9. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

   a. QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other Eligible QIB ; and

   b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;

10. The Eligible QIBs acknowledge that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

11. The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to their beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

12. The Eligible QIB confirms that:

    a. If it is within the United States, it is a U.S. QIB who is, or are acquiring the Equity Shares for its own account or for the account of an institutional investor who also meets the definition and requirement of an U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate; or

b. It it is outside the United States it is subscribing to the Equity Shares in an offshore transaction in reliance on Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate.

It has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of this Placement Document, will be deemed to have made the representations, warranties and agreements made under the sections titled "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 1, 5, 258 and 267, respectively.

ELIGIBLE QIBs WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Bank (by itself or by the Book Running Lead Managers) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. The Bid Amount was required to be deposited in the Escrow Account as is specified in the Application Form and the Application Form was required to be submitted to the Book Running Lead Managers through electronic form at either of the following addresses:

Name of BRLM	**Address**	**Contact person**	**Email**	**Phone**
IIFL Securities Limited	24th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013, Maharashtra, India	Bhavesh Mandoth/Nishita Mody	indianbank.qip@iiflcap.com	**Tel:** +91 22 4646 4728

Name of BRLM	Address	Contact person	Email	Phone
Axis Capital Limited	1st Floor, Axis House, C-2 Wadia International Center, Pandurang Budhkar Marg, Worli, Mumbai 400 025, Maharashtra, India	Animesh Vanjari	indianbank.qip@axiscap.in	**Tel:** +91 4325 2183
ICICI Securities Limited	ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India	Ashik Joisar / Gaurav Mittal	project.pragati@icicisecurities.com	**Tel:** +91 22 6807 7100
Emkay Global Financial Services Limited	7th Floor, The Ruby Senapati Bapat Marg, Dadar (West) Mumbai 400028	Deepak Yadav	indianbank.qip@emkayglobal.com	**Tel:** +91 22 66121212
JM Financial Limited	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India	Prachee Dhuri	indianbank.qip@jmfl.com	**Tel:** +91 22 6630 3030
SBI Capital Markets Limited	1501, 15th Floor, A & B Wing, Parinee Crescenzo, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India	Vaibhav Shah	indianbank.qip@sbicaps.com	**Tel:** +91 22-4006 9807

The Book Running Lead Managers were not required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue were required to pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Payment of Bid Amount

Our Bank has opened the Escrow Account in the name of "***Indian Bank QIP 2023 Escrow Account***" with the Escrow Agent, in terms of the arrangement among our Bank, the Book Running Lead Managers and the Escrow Agent. Each Bidder were be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the

Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments were made only through electronic fund transfer. Payments made through cash or cheques were liable to be rejected. Further, if the payment was not made favouring the Escrow Account, the Application Form was liable to be rejected.

Pending Allotment, our Bank undertakes to utilise the amount deposited in "***Indian Bank QIP 2023 Escrow Account***" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Bank was not able to Allot Equity Shares in the Issue. In case of cancellations or default by the Bidders, our Bank and the Book Running Lead Managers have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, was lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "*Issue Procedure – Refunds*" on page 242.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. For the purpose of determination of the Floor Price, 'stock exchange' shall mean any of the recognised stock exchanges in which the Equity Shares are listed and in which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. However, our Bank offered a discount of 4.932% of the Floor Price, in terms of Regulation 176(1) of the SEBI ICDR Regulations, in accordance with the approval of our Shareholders pursuant to resolution passed at AGM held on June 19, 2023.

The "Relevant Date" referred to above, for Allotment, will be the date of the meeting in which the Board or the Committee of Board on Capital Raising of the Board decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

Build-up of the book

The Eligible QIBs were required to submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids could not be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price discovery and Allocation

Our Bank, in consultation with the Book Running Lead Managers, has determined the Issue Price, which shall be at or above the Floor Price. However, our Bank offered a discount of 4.932% of the Floor Price, in terms of Regulation 176(1) of the SEBI ICDR Regulations, in accordance with the approval of our Shareholders pursuant to resolution passed at AGM held on June 19, 2023.

After finalisation of the Issue Price, our Bank has update the Preliminary Placement Document with the Issue details and filing the same with the Stock Exchanges as this Placement Document.

Method of Allocation

Our Bank has determined the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price has been grouped together to determine the total demand. The Allocation to all such Eligible QIBs was required to be made at the Issue Price. Allocation to Mutual Funds for a minimum of 10% of the Issue Size was required to be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR BANK IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION IS FINAL AND BINDING ON ALL ELIGIBLE QIBs. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES WAS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR BANK, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR BANK NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON- ALLOCATION.

CONFIRMATION OF ALLOCATION NOTE OR CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Bank, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, have decided the Successful Bidders to whom the serially numbered CAN has been dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them has been notified to such Successful Bidders. Additionally, the CAN includes the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Successful Bidder ("**Designated Date**").

The Successful Bidders have also been sent a serially numbered Placement Document either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document in the electronic form, to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board or the Committee of Board on Capital Raising of the Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the Book Running Lead Managers.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section titled "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Successful Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of this Placement Agreement, our Bank will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Bank, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Bank shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Bank shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts, our Bank will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue

are received by our Bank.

7. After finalization of the Issue Price, our Bank has updated the Preliminary Placement Document with the Issue details and has filed the same with the Stock Exchanges as this Placement Document. Pursuant to a circular SEBI/CFD/DIL/LA/1/2010/05/03 dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Bank along with this Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price, or Equity Shares are not Allocated to a Bidder for any reasons, is cancelled prior to Allocation, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted (as set out in the Application Form). The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that our Bank is unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled from the date of receipt of application monies, our Bank shall repay the application monies. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Depositories Act and other applicable laws

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Release of Funds to our Bank

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Bank. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other instructions

Permanent account number or PAN

Each Bidder should mention its PAN allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR Number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to reject applications

Our Bank, in consultation with the Book Running Lead Managers, could reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Bank in consultation with the Book Running Lead Managers in relation to the rejection of Bids is final and binding. In the event the Bid is rejected by our Bank, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder. For details see "*Bid Process" – "Refund*" on page 254.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue was required to have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all Eligible QIBs in the demat segment of the respective Stock Exchanges.

Our Bank and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT

Placement Agreement

The Book Running Lead Managers have entered into a placement agreement with the Bank dated December 12, 2023 (the "**Placement Agreement**"), pursuant to which the Book Running Lead Managers have agreed to manage the Issue and act as placement agents in connection with the proposed Issue and procure subscriptions for the Equity Shares on a reasonable efforts basis pursuant to Chapter VI of SEBI ICDR Regulations.

The Placement Agreement contains customary representations, warranties and indemnities from the Bank and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Preliminary Placement Document and this Placement Document has not been, and will not be, filed as a prospectus with RoC and, no Equity Shares issued pursuant to the Issue will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

In connection with the Issue, the Book Running Lead Managers (or their affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may subscribe to Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. See "*Offshore Derivative Instruments*" on page 1111.

The Equity Shares have not been registered under the Securities Act or any U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an effective registration statement or an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered or sold only (i) outside the United States to non-U.S. persons in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur and (ii) to certain U.S. "qualified institutional buyers" as defined in Rule 144A of the Securities Act.

The Book Running Lead Managers and their respective affiliates may engage in transactions with and perform services for the Bank and/or its Subsidiaries and/or Joint Ventures and/or Associates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with the Bank and/or Subsidiary and/or Joint Ventures and/or Associates, for which they have received compensation and may in the future receive compensation.

Lock-up

Under the Placement Agreement, the Bank will not, for a period commencing the date hereof and ending 90 days from the Closing Date, without the prior written consent of the Book Running Lead Managers, directly or indirectly:

(a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any Equity Shares or contract to purchase, purchase any Equity Shares or contract to sell or issue, grant any Equity Shares, right or warrant to purchase, lend or otherwise transfer or dispose of any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing;

(b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares;

(c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe to or purchase Equity Shares or which carry the right to subscribe to or purchase Equity Shares in depository receipt facilities or enter into any such transactions (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or

(d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of the Equity Shares in cash or otherwise,

provided however that the foregoing restrictions shall not apply to: (i) the issuance of any Equity Shares; (ii) any issue or offer of Equity Shares by the Bank, to the extent such issue or offer is: (a) required to be undertaken pursuant to Applicable Law; or (b) required to be undertaken pursuant to the instructions, orders or guidelines as may be issued by the Government of India or an undertaking of the Government of India or such other authority acting on its behalf, in each case with the requisite authority to issue such instructions, orders or guidelines, as the case may be and (ii) bond issuances.

The Equity Shares held by the Promoter shall not be subject to any lock-up under the Placement Agreement.

SELLING RESTRICTIONS

The distribution of the Preliminary Placement Document and this Placement Document and the offer, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Persons who come into possession of the Preliminary Placement Document and this Placement Document are advised to take legal advice with regard to any restrictions that may be applicable to them and to observe such restrictions. The Preliminary Placement Document and this Placement Document may not be used for the purpose of an offer or sale in any circumstances in which such offer or sale is not authorized or permitted.

General

No action has been taken or will be taken in any jurisdiction by our Bank or the Book Running Lead Managers that would permit a public offering of the Equity Shares or the possession, circulation or distribution of the Preliminary Placement Document and this Placement Document or any other material relating to our Bank or the Equity Shares in any jurisdiction where action for such purpose is required.

Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document nor this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations. Each purchaser of the Equity Shares offered by the Preliminary Placement Document and this Placement Document will be required to make, or be deemed to have made, as applicable, the representations, acknowledgments and agreements as described under "*Notice to Investors*", "*Representation by Investors*", and "*Transfer Restrictions*" on pages 1, 5 and 267 respectively.

India

The Preliminary Placement Document and this Placement Document may not be distributed, directly or indirectly, in India or to residents of India and any Equity Shares may not be offered or sold, directly or indirectly, in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to eligible QIBs and is not an offer to the public. The Preliminary Placement Document and this Placement Document has not been and will not be filed as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Australia

The Preliminary Placement Document and this Placement Document:

- does not constitute a product disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "**Corporations Act**");
- has not been, and will not be, lodged with the Australian Securities and Investments Commission ("**ASIC**"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;
- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a "retail client" (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors ("**Exempt Investors**"), available under section 708 of the Corporations Act.

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Equity Shares may be issued, and no draft or definitive Preliminary Placement Document and Placement Document, advertisement or other offering material relating to any Equity Shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Equity Shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of Equity Shares under the Preliminary Placement Document and this Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to us that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. The Preliminary Placement Document and this Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. Our Bank has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency ("**BMA**") has not reviewed, nor has it approved, the Preliminary Placement Document and this Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

British Virgin Islands

The Equity Shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of the Issuer. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands), ("**BVI Companies**"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands.

Dubai International Financial Centre

The Preliminary Placement Document and this Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Placement Document. The securities to which the Preliminary Placement Document and this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of the Preliminary Placement Document and this Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

China

The Preliminary Placement Document and this Placement Document does not constitute a public offer of the Equity Shares, whether by way of sale or subscription, in the People's Republic of China (the "**PRC**"). The Equity Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to legal and regulatory requirements of the PRC, the Equity Shares may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the Equity Shares may be offered to the public in that Relevant State at any time:

a. to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
b. to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or
c. in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Equity Shares shall require the Bank or any BRLM to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

Each BRLM has represented, warranted and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Equity Shares other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO; and

(ii) it has not issued or had in its possession for the purposes of the issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the "QII Equity Shares") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Jordan

The Equity Shares have not been and will not be offered, sold or delivered at any time, directly or indirectly, in the Hashemite Kingdom of Jordan in a manner that would constitute a public offering. The Preliminary Placement Document and this Placement Document has not been and will not be reviewed or approved by, or registered with, the Jordan Securities Commission in accordance with its regulations and any other regulations in the Hashemite Kingdom of Jordan. The Equity Shares are not and will not be traded on the Amman Stock Exchange.

Each Book Running Lead Manager has represented and agreed that the Equity Shares have not been and will not be offered, sold or promoted or advertised by it in Jordan other than in compliance with the Securities Law No. (76) of 2002, as amended, the Law Regulating Dealings in Foreign Exchange No. (50) of 2008, and regulations issued pursuant to them governing the issue of offering and sale of securities. Without limiting the foregoing, each Manager has represented and agreed that the Equity Shares have not been and will not, in any manner, be offered, sold, promoted or advertised to more than thirty (30) persons in Jordan, without complying with the required approval and notification requirements set-out under the above-referenced laws and the regulations issued pursuant to them.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Kuwait

The Equity Shares have not been authorised or licensed for offering, marketing or sale in the State of Kuwait. The distribution of the Preliminary Placement Document and this Placement Document and the offering and sale of the Equity Shares in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, the Preliminary Placement Document and this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of the Preliminary Placement Document and this Placement Document is subject to Malaysian laws. The Preliminary Placement Document and this Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither the Preliminary Placement Document nor this Placement Document nor any offering material or information contained herein relating to the offer of Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. The Preliminary Placement Document and this Placement Document does not constitute an offer to sell Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

The Preliminary Placement Document and this Placement Document is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "**New Zealand Securities Act**"). The Preliminary Placement Document and this Placement Document is being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act ("**Habitual Investors**"). By accepting the Preliminary Placement Document and this Placement Document, each investor represents and warrants that if they receive the Preliminary Placement Document and this Placement Document in New Zealand they are a Habitual Investor and they will not disclose the Preliminary Placement Document and this Placement Document to any person who is not also a Habitual Investor.

Sultanate of Oman

The Preliminary Placement Document and this Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA. The offering and sale of Equity Shares described in the Preliminary Placement Document and this Placement Document will not take place inside Oman. The Preliminary Placement Document and this Preliminary Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

Qatar (excluding the Qatar Financial Centre)

The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar in a manner that would constitute a public offering. The Preliminary Placement Document and this Placement Document has not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, Central Bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, the Preliminary Placement Document and this Placement Document is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than the recipient thereof.

The Capital Market Authority does not make any representation as to the accuracy or completeness of the Preliminary Placement Document and this Placement Document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of the Preliminary Placement Document and this

Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of the Preliminary Placement Document and this Placement Document, you should consult an authorized financial adviser.

Qatar Financial Centre

The Preliminary Placement Document and this Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Center ("**QFC**"), and accordingly should not be construed as such. The Preliminary Placement Document and this Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. The Preliminary Placement Document and this Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. The Issuer has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

The Preliminary Placement Document and this Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 2-11-2004 dated October 4, 2004 as amended by resolution number 1-28-2008, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of the Preliminary Placement Document and this Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of the Preliminary Placement Document and this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of the Preliminary Placement Document and this Placement Document, you should consult an authorized financial adviser.

Singapore

The Preliminary Placement Document and this Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Preliminary Placement Document and this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289), of Singapore as modified and amended from time to time (the "**SFA**") pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or
(e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: The Issuer determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAAN16: Notice on Recommendations on Investment Products).

South Africa

Due to restrictions under the securities laws of South Africa, the Equity Shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions applies:

i. the offer, transfer, sale, renunciation or delivery is to:

(a) persons whose ordinary business is to deal in securities, as principal or agent;

(b) the South African Public Investment Corporation;

(c) persons or entities regulated by the Reserve Bank of South Africa;

(d) authorised financial service providers under South African law;

(e) financial institutions recognised as such under South African law;

(f) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or

(g) any combination of the person in (a) to (f); or

ii. the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000.

No "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "**South African Companies Act**")) in South Africa is being made in connection with the issue of the Equity Shares. Accordingly, the Preliminary Placement Document and this Placement Document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. Any issue or offering of the Equity Shares in South Africa constitutes an offer of the Equity Shares in South Africa for subscription or sale in South Africa only to persons who fall within the exemption from "offers to the public" set out in section 96(1)(a) of the South African Companies Act. Accordingly, the Preliminary Placement Document and this Placement Document must not be acted on or relied on by persons in South Africa who do not fall within section 96(1)(a) of the South African Companies Act (such persons being referred to as "**SA Relevant Persons**"). Any investment or investment activity to which the Preliminary Placement Document and this Placement Document relates is available in South Africa only to SA Relevant Persons and will be engaged in South Africa only with SA relevant persons.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. The Preliminary Placement Document and this Placement Document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither the Preliminary Placement Document nor this Placement Document nor any other offering or marketing material relating to the offering, the Issuer, the Equity Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Equity Shares will not be supervised by, the Swiss Financial Market Supervisory Authority and the offer of Equity Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Equity Shares.

Taiwan

The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "Promotion") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to non-natural persons "Qualified Investors" (as such term is defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares, except that the Equity Shares may be offered to the public in the United Kingdom at any time:

d. to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

e. to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of Book Running Lead Managers for any such offer; or

f. in any other circumstances falling within Section 86 of the FSMA. provided that no such offer of the Equity Shares shall require the Issuer or any Book Running Lead Manager to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

United States

The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act, and (b) outside the United States in "offshore transactions" in compliance with Regulation S and the applicable securities laws of all states and other jurisdictions of the United States where those offers and sales occur. For more information, see section entitled "*Transfer Restrictions*" on page 267.

Other Jurisdictions

The distribution of the Preliminary Placement Document and this Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession the Preliminary Placement Document and this Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 258.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or with any state securities regulatory authority of any state or other jurisdiction in the United States (as defined in Regulation S under the U.S. Securities Act ("Regulation S") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act the applicable securities laws of all states and other jurisdictions of the United States. Accordingly, the Equity Shares are only being offered and sold (i) within the United States to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A) under the U.S. Securities Act and referred to in the Preliminary Placement Document and this Placement Document as "U.S. QIBs") in transactions exempt from the registration requirements of the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. (For avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Preliminary Placement Document and this Placement Document as "QIBs").

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of this Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Issue) may violate the registration requirements of the U.S. Securities Act.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue within the United States, by its acceptance of the Preliminary Placement Document and this Placement Document and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Bank and the Book Running Lead Managers that it has received a copy of the Preliminary Placement Document and this Placement Document and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;

2. the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a qualified institutional buyer with respect to which it exercises sole investment discretion;

4. the purchaser is not an affiliate of our Bank or a person acting on behalf of an affiliate of our Bank;

5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person

acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or another exemption from the registration requirements of the U.S. Securities Act or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Bank determines, in its sole discretion, to remove them;

6. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;

7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

8. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Bank determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

   THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES; and

10. the purchaser acknowledges that the Bank, the Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Bank, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Issue

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue outside the United States, by its acceptance of the Preliminary Placement Document and this Placement Document and of the Equity Shares offered pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with the Bank and the Book Running Lead Managers that it has received a copy of the Preliminary Placement Document and this Placement Document and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to this Issue have not been and will

not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser is purchasing the Equity Shares offered pursuant to this Issue in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Issue, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

5. the purchaser is not an affiliate of the Bank or a person acting on behalf of an affiliate of the Bank;

6. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or another exemption from the registration requirements of the U.S. Securities Act or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Bank determines, in its sole discretion, to remove them;

7. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the Securities Act in the United States with respect to the Equity Shares;

8. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Bank determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

   THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

9. the purchaser acknowledges that the Bank, the Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Bank, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

In relation to each Member State of the EEA (each a "**Member State**"), an offer to the public of any Equity Shares may not be made in that Member State, except if the Equity Shares are offered to the public in that Member State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the "**Prospectus Regulation**"):

- to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by our Bank or any of the Book Running Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Regulation and each person who initially acquires Equity Shares or to whom any offer is made will be deemed to have represented that they are a "qualified investor" as defined in the Prospectus Regulation. For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Offer Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Member State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Managers has been obtained to each such proposed offer or resale. Our Bank, its directors, the Book Running Lead Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Book Running Lead Managers of such fact in writing may, with the consent of the Book Running Lead Managers, be permitted to subscribe for or purchase Equity Shares in the Issue.

The Bank, the Book Running Lead Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Any offer, sale, pledge, resale or other transfer, or attempted offer, sale, pledge, resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognized by the Bank.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Bank or the Book Running Lead Managers or any of their affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SECC Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, protect the interests of investors in securities, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buybacks of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of a company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognised stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges which were significantly modified in 2015. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

Pursuant to an amendment to SCRR in June 2010 and Regulation 38 of SEBI Listing Regulations, all listed companies are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of the public shareholding having fallen below the 25% threshold. However, every listed public sector company whose public shareholding falls below 25% at any time on or after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, respectively, in the manner specified by SEBI. Further, pursuant to the budget 2019-2020, SEBI has been authorised to consider increase in minimum public shareholding to 35%.

Disclosures under the SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The Stock Exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the CNX NIFTY of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available. The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, BSE is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005, BSE was incorporated as a company under the Companies Act, 1956 in 2005. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Hours

Trading on both NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading (or "**BOLT**") facility in 1995. This totally automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (or "**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Takeover Regulations, which provides specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Insider Trading Regulations

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an 'insider' from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the regulations of 1992. The Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Initial disclosures are required from promoters, key managerial personnel, directors as well as continual disclosures by every promoter, employee or director in case value of trade exceed monetary threshold of 10 lakh rupees over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, SEBI framed regulations in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

Set forth below are certain provisions relating to our Bank's share capital and the Equity Shares, including brief summaries of certain provisions of the Indian Bank (Shares and Meetings) Regulations, 1999, as amended. Our Bank follows the RBI Dividend Circular in relation to declaration of dividends.

General

The authorized share capital of our Bank is ₹3,000 crore consisting 300 crore equity shares of ₹ 10 each.

As on the date of this Placement Document, the issued, subscribed and paid-up share capital of our Bank is ₹1,245.44 crore divided into 1,24,54,41,139 Equity Shares. The Equity Shares are listed on NSE and BSE.

Capital

The shares of our Bank are movable property, transferable in the manner provided under the Indian Bank Regulations. Our Bank is permitted to raise capital by public issue or preferential allotment or private placement of equity shares or preference shares in accordance with provisions of the Banking Companies Act. Our Bank is required to formulate a proposal to raise capital in accordance with the guidelines, rules or regulations of the SEBI, relating to raising of such capital. In accordance with the Indian Bank Regulations, our Bank is required to submit the proposal to the RBI and consider the views of the RBI before finalizing the proposal. Further, the final proposal is required to be submitted to the Government for its sanction and the Government may grant sanction subject to such terms and conditions as it may deem fit.

Register of Shareholders

Our Bank is required to keep, maintain and update share register of its shareholders, the particulars required to be entered in the share register shall be maintained in the form of data stored in magnetic / optical / magneto-optical media by way of diskettes, floppies, cartridges or otherwise in computers to be maintained at such location as may be decided from time to time by the chairman and managing director or any other official not below the rank of a general manager designated in this behalf by the chairman and managing director. The register of the beneficial owners is maintained by a depository under Section 11 of the Depositories Act, 1996 and will be deemed to be the register for, such shareholders. Our Bank is required to maintain the register in electronic format subject to safeguards stipulated in the Information Technology Act, 2000, as amended.

Share Certificate

Each share certificate in respect of shares of the Bank is required to bear share certificate number, a distinctive number, the number of shares in respect of which it is issued and the name of the shareholder to whom it is issued should be in such form as may be specified by the Board. Every share certificate should be issued under the common seal of the Bank in pursuance of a resolution of the Board and it should be signed by two directors and some other officer not below the rank of scale II or the company secretary authorised by the Bank. The signature of the authorised persons may be printed, engraved, lithographed or impressed by such other mechanical process as the Board may direct. No share certificate is valid unless and until it is so signed. Share certificate so signed will be valid and binding notwithstanding that, before the issue thereof, any person whose signature appears thereon may have ceased to be a person authorised to sign share certificates on the behalf of the Bank. The shares are also held in demat form.

Issue of Share Certificates

Under the provisions of the Indian Bank Regulations, a shareholder who has been registered as a shareholder shall be entitled to one certificate for each hundred shares or multiples thereof registered in his name on any one occasion and one additional share certificate for the number of shares in excess thereof but less than hundred. Further, if the number of shares to be registered is less than hundred, one certificate shall be issued for all the shares. Further, in the case of shares held jointly by several persons, delivery of such certificate to one of several joint holders shall be sufficient delivery to all such holders.

Transfer of Shares

The shares of the Bank are freely transferable. The shareholders of the Bank can transfer its shares by an instrument of transfer in the form provided under the Indian Bank Regulations or in such other form as may be approved by the Bank from time to time.

Forfeiture of shares

The Bank can forfeit the shares after giving a notice of not less than 14 days, if the calls on such shares are unpaid. Any share so forfeited will be deemed to be the property of the Bank and may be sold, re-allotted or otherwise disposed of to any person upon such terms and in such manner as the Board may decide.

Call on shares

The Board may, from time to time, make such calls as it thinks fit upon the shareholders in respect of all monies remaining unpaid on the shares held by them, which are by the conditions of allotment not made payable at fixed times, and each shareholder shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board. A call may be payable by the installments.

Meeting of Shareholders

There are two types of general meetings of shareholders: annual general meetings and extra ordinary general meetings. For convening an annual general meeting, a notice signed by the chairman and the managing director or the executive director or any officer not the below scale VII or the company secretary of the Bank, should be published at least 21 (twenty-one) clear days before the meeting in not less than two daily newspapers having wide circulation in India. Every such notice is required to state the time, date and place of such meeting, and also the business that should be transacted at that meeting.

An extraordinary general meeting of shareholders can be convened by the chairman and managing director or in their absence by the Executive Director or in their absence by any one of the other Directors, if so directed by the Board, or on a requisition for such a meeting having been received either from the Government or from other shareholders holding an aggregate of shares carrying not less than 10.00% of the total voting rights of all the shareholders. The requisition should state the purpose for which such extraordinary general meeting is required to be convened. The time, date and place of an extraordinary general meeting shall be decided by the Board, provided that an extraordinary general meeting convened on requisition by other shareholders will be convened not later than forty five days of the receipt of the requisition.

No business can be transacted at any meeting of the shareholders unless a quorum of at least five shareholders entitled to vote at such meeting in person are present at the commencement of such business. If within half an hour from the time appointed for holding the meeting, a quorum is not present, in the case of a meeting called by a requisition of shareholders other than the Central Government, the meeting shall stand dissolved. In any other case, if a quorum is not present within half an hour from the time of meeting was scheduled to be conducted, the meeting shall stand adjourned to the same day in the next week, at the same time and the place or to such other day and such other time and place as the chairman may determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the shareholders who are present in person or by proxy or by duly authorized representative at such adjourned meeting shall be quorum and may transact the business for which the meeting was called.

Voting rights of shareholders

At any general meeting, a resolution put to the vote of the meeting shall, unless a poll is demanded be decided on a show of hands. Every matter submitted to a general meeting shall be decided by a majority of votes. Unless a poll is demanded, a declaration by the Chairman of the meeting that a resolution on show of hands has or has, not been carried, either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings, shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of, or against, such resolution. The decision of the chairmen of the meeting as to the qualification of any person to vote, and also in the case of poll, as to the number of votes any person is competent to exercise shall be final.

Right to elect Directors

A director, under Regulation 55 of the Indian Bank Regulations, is to be elected by the shareholders on the register, other than the Government, from amongst themselves in a general meeting of our Bank. Where an election of a director is to be held at any general meeting, the notice thereof should be included in the notice convening the meeting. Every such notice should specify the number of directors to be elected and the particulars of vacancies in respect of which the election is to be held.

Declaration of Dividend

As per the RBI Dividend Circular, our Bank can declare dividends only if our Bank has a (i) CRAR of at least 9.00% for the preceding two completed years and the accounting year for which it proposes to declare a dividend; and (ii) net NPA less than 7.00%. In case our Bank does not meet the said CRAR norm, but has a CRAR of at least 9.00% for the accounting year for which it proposes to declare dividend, it would be eligible to declare dividend provided its net NPA ratio is less than 5.00%.

As per the letter dated April 13, 2010, the MoF has directed all public sector banks, including our Bank, to pay a minimum of 20.00% of their equity or 20.00% of their post-tax profits, whichever is higher for the fiscal year 2010.

Our Bank is required to comply with certain provisions of the Banking Regulation Act including Section 15; Section 10(7) of the Banking Companies Act and the prevailing regulations / guidelines issued by the RBI, including creating adequate provisions for impairment of assets and staff retirement benefits, transfer of profits to statutory reserves. See, "*Dividend Policy*" on page 94. The proposed dividend should be paid out of the current year's profit. Also, the RBI should not have placed any explicit restrictions on our Bank for declaration of dividends. The rate of dividend shall be determined by the Board.

TAXATION

To,

The Board of Directors
Indian Bank ("Bank")
Corporate Office
254-260, Avvai Shanmugam Salai
Royapettah, Chennai- 600 014
Tamil Nadu, India

IIFL Securities Limited
24th Floor, One Lodha Place,
Senapati Bapat Marg,
Lower Parel (West), Mumbai 400 013
Maharashtra, India

Emkay Global Financial Services Limited
The Ruby, 7th Floor, Senapati Bapat Marg
Dadar (West), Mumbai – 400 028,
Maharashtra, India.

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi, Mumbai – 400 025
Maharashtra, India

SBI Capital Markets Limited
1501, 15th Floor, A&B Wing,
Parinee Crescenzo, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051,
Maharashtra, India

Axis Capital Limited
1st Floor, Axis House
C-2 Wadia International Centre
P.B. Marg, Worli
Mumbai 400 025
Maharashtra, India

JM Financial Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025,
Maharashtra, India

(collectively, referred to as the "**Book Running Lead Managers" or "BRLMs**")

Dear Sirs,

Re.: Certificate on tax benefits

Sub: Proposed Qualified Institutions Placement of equity shares of face value of ₹ 10 each (the "Equity Shares") of the Bank under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") (the proposed qualified institutions placement to be referred to as the "Issue").

We, SARC & Associates, Chartered Accountants, Firm Registration Number:006085N; Kailash Chand Jain & Co, Chartered Accountants, Firm Registration Number: 112318W; S. Singhal & Co., Chartered Accountants, Firm Registration Number: 001526C; G Balu Associates LLP, Chartered Accountants, Firm Registration Number: 000376S/S200073 and Dass Gupta & Associates, Chartered Accountants, Firm Registration Number: 000112N (hereinafter collectively referred as "**Statutory Central Auditors**") hereby report the possible tax benefits available to the Bank and the shareholders of the Bank, under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications), as amended (the "**IT Act**") applicable for the financial year ending 31st March 2024 relevant to the assessment year 2025 - 2026, and to the shareholders of the Bank under the IT Act, presently in force in India, in the enclosed statement at **Annexure A**.

The preparation of statement of possible tax benefits, which is to be included in the preliminary placement document ("PPD")/ placement document ("PD") is the responsibility of the management of the Bank.

Several of these stated tax benefits/consequences are dependent on the Bank or its shareholders fulfilling the conditions as prescribed under the relevant tax laws. Therefore, the ability of the Bank or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.

The benefits discussed in the enclosed annexure are not exhaustive. **Annexure A** is for your information, and we consent its inclusion in the Preliminary Placement Document and Placement Document, as amended or supplemented thereto (together the "**Placement Documents**") to be filed by the Bank with the Stock Exchanges, the Securities and Exchange Board of India ("**SEBI**"), and any other authority and such other documents as may be prepared in connection with the Issue.

In view of the individual nature of the tax consequences and the changing tax laws including the decisions made by the competent legal authorities, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

i) the Bank or its shareholders will continue to obtain these benefits in future; or

ii) the conditions prescribed for availing the benefits have been/would be met with; or

iii) the revenue authorities / courts will concur with the views expressed herein.

We also consent to the references to us as "Experts" to the extent of the certification provided hereunder and included in the Placement Documents of the Bank or in any other documents in connection with the Issue.

The aforesaid information contained herein and in **Annexure A** can be relied upon by the BRLMs and Legal Counsels appointed pursuant to the Issue and can be submitted to the Stock Exchanges, Securities and Exchange Board of India, and any other regulatory or statutory authority in respect of the Issue and for the records to be maintained by the BRLMs in connection with the Issue. We undertake to immediately inform in writing to the BRLMs and Legal Counsels in case of any changes to the above until the date when the Equity Shares issued pursuant to the Issue commence trading on the Stock Exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

Nothing contained herein shall be construed to (i) limit our responsibility for or liability in respect of, the reports we have issued, covered by our consent and included in the Placement Documents or (ii) limit our liability with respect to the reports we have issued to any person which (a) cannot be lawfully limited or excluded under applicable laws or regulations or guidelines issued by applicable regulatory authorities or (b) has been assumed by us contractually in connection with the Issue; or (iii) limit our liability in respect of comfort letters provided to the BRLMs in connection with the Issue.

We hereby consent to this certificate being disclosed by the BRLMs, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Placement Documents.

Signed by the Statutory Central Auditors of the Bank

For SARC & Associates,
Chartered Accountants
Firm Registration Number: 006085N
Chetan Thakkar
Partner
Membership Number: 114196

Date: December 11, 2023
UDIN: 23114196BGJM6W3891

For Kailash Chand Jain & Co,
Chartered Accountants
Firm Registration Number: 112318W
Saurabh Chouhan
Partner
Membership Number: 167453

Date: December 11, 2023
UDIN: 23167453BGRWPM1743

For S. Singhal & Co.,
Chartered Accountants
Firm Registration Number: 001526C
Mukesh Kumar Khandelwal
Partner
Membership Number: 074661

Date: December 11, 2023
UDIN: 23074661BGXKNQ3068

G Balu Associates LLP,
Chartered Accountants
Firm Registration Number: 000376S/S200073
Raja Gopalan B
Partner
Membership Number: 217187

Date: December 11, 2023
UDIN: 23217187BGXECG3366

For Dass Gupta & Associates,
Chartered Accountants
Firm Registration Number: 000112N

Ashok Kumar Jain
Membership Number: 090563

Date: December 11, 2023
UDIN: 23090563BG4EVU3947

CC:

Legal Counsel to BRLMs as to Indian Law

Dentons Link Legal
Aiwan-e-Ghalib Complex,
Mata Sundri Lane,
New Delhi 110 002, India

Legal Counsel to the Bank as to Indian Law

M/s. Crawford Bayley & Co.
State Bank Buildings
N.G. N. Vaidya Marg
Fort, Mumbai 400 023

International Legal Counsel to the BRLMs

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore 049 321

("Dentons Link Legal", "Crawford Bayley & Co." and "Hogan Lovells Lee & Lee" collectively referred to as "**Legal Counsels**")

Annexure A

Statement of Tax Benefits

The information provided below sets out the possible tax benefits available to the shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of any shareholder to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the Offer relying on the statement. This statement has been prepared solely in connection with the Offer under the Regulations as amended.

A. INCOME-TAX ACT, 1961 (the "Act")

a. To the Bank

1. Income by way of interest, premium on redemption or other payment on notified securities, bonds, certificates issued by the Central Government is exempt from tax under Section 10(15) as per conditions specified in the concerned notification.

2. Interest income on certain categories of bad and doubtful debts, as specified in Rule 6EA of the Income tax Rules, 1962, is chargeable to tax only in the year of receipt or credit to the Profit & Loss Account of the Bank whichever is earlier, in accordance with the provisions of Section 43Dof the Act.

3. Under Section 36(1)(vii) of the Act, any bad debt or part thereof written off as irrecoverable in the accounts of the Bank is allowable as a deduction, subject to the provisions of section 36(2) of the Act. The deduction of bad debts is limited to the amount, by which such bad debts or part thereof, exceeds the credit balance in the provision for bad and doubtful debts account made under Section 36(1)(viia) of the Act.
   If the amount subsequently recovered on such debt or part thereof, written off is greater than the difference between the debt or the part of debt, so written off and the amount so allowed, the excess shall be deemed to be profit and gain of business or profession and accordingly chargeable to tax in accordance with Section 41(4) of the Act in the year in which it is recovered.

4. Under Section 36(1)(viia) of the Act, a deduction is allowable in respect of any provision made for bad and doubtful debts, by an amount not exceeding 8.5% of total income (computed before making any deduction under this Clause and Chapter VIA) and an amount not exceeding 10% of the aggregate average advances made by rural branches of the Bank computed in the prescribed manner.

5. In terms of Section 36(1) (viii) of the Act, the bank is allowed deduction in respect of any special reserve created and maintained by the Bank for an amount not exceeding 20% of the profits (before making any deduction under this clause) derived from the business of long term finance for industrial or agricultural development or development of infrastructure facility in India or development of housing in India. Further, if the aggregate amount carried to the Special Reserve account from time to time exceeds twice the paid-up capital and general reserves, no deduction shall be allowed on the excess amount under the Section. The amount withdrawn from such a Special Reserve Account would be chargeable to income tax in the year of withdrawal, in accordance with the provisions for Section 41(4A) of the Act.

6. Government of India, vide Notification dated 4th March, 2020 amalgamated Allahabad Bank into Indian Bank with effect from 1st April, 2020. As per the provisions of Section 72AA of the Act, in case of amalgamation of one or more bank or banks with any other bank under a scheme brought into force by the Central Government under section 9 of the Banking Companies (Acquisition and

Transfer of Undertakings) Act, 1970 (5 of 1970) or under section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980) or both, as the case may be the accumulated loss and the unabsorbed depreciation of such bank or banks shall be deemed to be the loss or, as the case may be, allowance for depreciation of such banking institution or amalgamated corresponding new bank for the previous year in which the scheme of amalgamation was brought into force and other provisions of this Act relating to set off and carry forward of loss and allowance for depreciation shall apply accordingly.

7. Under section 54EC of the Act, Long-term capital gain arising on the transfer of long-term capital assets, being land or building is exempt from tax to the extent the same is invested in long-term specified asset within a period of six months from the date of such transfer (up to a maximum limit of Rs 50 lakhs). The capital gain shall not be charged to tax subject to certain conditions specified in this section.

b. To the resident shareholders of the bank

1. Up to and including FY 2019-20, dividend income earned on shares of a domestic company (which includes the Bank) was exempt in the hands of shareholders under section 10(34) of the Act. Such dividend income was also to be excluded while computing the MAT liability u/s 115JBof the Act where the recipient is a company.

From the FY 2020-21, the provisions relating to taxability of dividend are as under:

(a) Dividend income from equity shares has been made taxable in the hands of shareholders at the applicable tax rates and the domestic company declaring/ distributing / paying such dividends is no longer required to pay any DDT u/s 115O of the Act

(b) A deduction of expenses u/s 57 of the Act shall be allowed against such dividend income only in respect of interest expense up to a maximum of20% of such dividend

(c) Section 115BBDAof the Act, providing for taxation of dividend income of more than Rs 10 lakh for specified assesse, has been omitted

(d) The domestic company declaring/ distributing/ paying dividends shall be liable to withhold taxes at 10% on dividend income paid to resident shareholders (TDS at the rate of 7.50% for the period from May 14, 2020 to March 31, 2021 as per CBDT press release dated May 13, 2020) in terms of section 194 of the Act. The aggregate threshold of Rs 5,000/- in a financial year applies in case of dividend income payable to a resident individual shareholder.

2. If the resident shareholder is a domestic company and its gross total income in any tax year includes any income by way of dividends from any other domestic company (which includes the Bank) or foreign company or a business trust, it shall be allowed a deduction u/s 80M of the Act in computation of its total income, of an amount equal to so much of the amount of income by way of dividend received from domestic/ foreign companies or business trust as does not exceed the amount of dividend distributed by it up to a date not exceeding one month prior to the due date of filing its return of income.

3. Income arising from transfer of shares held for more than 12 months and subject to Securities Transaction Tax (STT) shall be considered as long-term capital assets. The shares which are not considered as long- term capital assets shall be considered as short-term capital assets. The characterization of gains/ losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes (CBDT) has clarified in a circular that income arising from transfer of listed shares and securities, which are held for more than 12 months will be taxed as "Long Term Capital Gains" unless the shareholder itself treats these as stock in trade and income arising from transfer thereof as its business income.

4. Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains exceeding Rs 1,00,000 arising on transfer of equity shares, if STT has been paid on both acquisition and transfer in case of equity shares. The requirement of

chargeability to STT is not applicable to transaction undertaken on a recognized stock exchange located in International Financial Service Centre where the consideration for such transaction is payable in foreign currency.

As per section 112A(4) of the Act read with Notification No 60/2018 dated October 1, 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of STT:

a) Share acquisitions under taken prior to October 1, 2004

b) Share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

The benefit of indexation under the second provision to the Section 48 of the Act shall not be applicable for computing long term capital gains taxable u/s 112A of the Act. As per section 55(2)(ac) of the Act cost of acquisition of equity shares (referred in aforesaid Section 112A of the Act) acquired prior to February 1, 2018, shall be higher of :-

a) Cost of acquisition; and

b) Lower of :-

i. The fair market value of asset (As defined in Explanation to Section 55(2)(ac)of the Act; and

ii. The full value of consideration received or accruing as a result of transfer of the capital assets For the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognized stock exchange on January 31, 2018.

5. Under section 112 of the Act, long-term capital gains are subject to tax at a rate of 20% (plus applicable surcharge and cess) after indexation, as provided in the second proviso to section 48 of the Act. However, in case of listed securities (other than units), the amount of such tax could be limited to 10% (plus applicable surcharge and cess), without indexation, at the option of the shareholder in cases where securities transaction tax is not levied.

A base year for indexation purposes is shifted from 1 April 1981 to 1 April 2001, cost of acquisition of shares acquired before 1 April 2001 shall be allowed to be taken as fair market value as on 1 April 2001.

6. In case of an individual or Hindu Undivided Family (HUF), being a resident, where the total taxable income as reduced by long-term capital gains is below the basic exemption limit, such long-term capital gains will be reduced to the extent of the shortfall and only the balance long term capital gains will be subjected to such tax in accordance with the provision to Section 112A(1) of the Act or provision to Section 112(1) of the Act as the case may be.

7. Short-term capital gains arising on transfer of shares will be chargeable to tax at the rate of 15% (plus applicable surcharge and cess) as per the provisions of Section 111A of the Act if such transaction is chargeable to STT. The requirement of chargeability of STT is not applicable to transaction undertaken on a recognized stock exchange located in International Financial Service Centre and where the consideration for such transactions is payable in foreign currency In case of an individual or HUF, being a resident, where the total taxable income as reduced by short- term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to such tax in accordance with the provision to Section 111A(1) of the Act.

8. Under section 54EC of the Act, Long-term capital gain arising on the transfer of long-term capital assets, being land or building is exempt from tax to the extent the same is invested in long-term specified asset within a period of six months from the date of such transfer (up to a maximum limit of Rs 50 lakhs). The capital gain shall not be charged to tax subject to certain conditions specified in this section.

The definition of long-term specified asset, for making any investment under the section on or after the 1st day of April 2018, shall mean any bond, redeemable after five years and issued on or after 1st day of April 2018 by the National Highways Authority of India or by the Rural Electrification Corporation Limited or any other bond notified by the Central Government in this behalf. This amendment will take effect, from 1st April 2019 and will, accordingly, apply in relation to the assessment year 2019-20 and subsequent assessment years.

9. In accordance with, and subject to the conditions including ownership of not more than one residential house on the date of transfer (other than the new residential house referred hereinafter) and to the extent specified in Section 54F of the Act, long term capital gains arising on transfer of the shares shall be exempt from capital gains u/s 54F, if the net sale consideration is utilized within a period of one year before or two years after the date of transfer, for the purchase of a new residential house, or is utilized for construction of a residential house within three years. If the whole of the net sale consideration is not so utilized, the exemption shall be allowed on a pro rata basis.

10. As per Section 70 read with Section 74 of the Act short term capital loss arising during a year is allowed to be se-off against short term capital gains as well as long term capital gains. Balance loss, if any shall be carried forward and set-off against any capital gains (short term capital gains or long term capital gains) arising during subsequent eight assessment years. As per Section 70 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be setoff only against long term capital gains. Balance loss, if any shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years. As per Section 71 of the Act short term capital loss or long term capital loss for the year cannot be set-off against income under any other head for the same year.

11. Where the gains arising on the transfer of shares are included in the business income of an assessee, Assessable under the head "Profit and Gains from Business or Profession" on which STT has been charged, such STT shall be a deductible expense from the business income as per the provisions of Section 36(1)(xv) of the Act.

(c) STATEMENT OF GENERAL DIRECT TAX BENEFITS AVAILABLE TO THE NON RESIDENT SHAREHOLDERS INCLUDING FOREIGN PORTFOLIO INVESTORS ("FPI") / FOREIGN INSTITUTIONAL INVESTORS ("FII"):

1. Under the provisions of Section 90(2) of the Act a non-resident will be governed by the provisions of the Double Taxation Avoidance Agreement ("DTAA") and the country of tax residence of the non-resident [as modified by the Multilateral convention to implement Tax treaty related measures to prevent Base Erosion and Profit Shifting (MLI) or the provisions of the Act to the extent they are more beneficial to the non-resident.

   Up to and including FY 2019-20, dividend income earned on shares of a domestic company (which includes the Bank) was exempt in the hands of shareholders u/s. 10(34) of the Act. From the FY 2020-21, the provisions relating to taxability of dividend are as under:

   Dividend income from equity shares has been made taxable in the hands of shareholders at the applicable tax rates and the domestic company declaring/distributing/paying such dividends is no longer required to pay any DDT u/s. 115-Oof the Act.

   A deduction of expenses u/s. 57 of the Act shall be allowed against such dividend income only in respect of interest expense up to a maximum of 20% of such dividend.
   The domestic company declaring/distributing/paying dividends shall be liable to withhold taxes at the rates in force on dividend income paid to non-resident shareholders. Thus, the non¬resident shareholders are liable to tax on dividend income received from domestic company u/s. 115Aof the Act at 20% of gross dividend income (plus applicable surcharge and cess) subject to the provisions of the relevant DTAA read with the MLI (wherever applicable).

2. Income arising from transfer of shares held for more than 12 months and subject to STT, shall be considered as long-term capital assets. Assets not considered as long-term capital assets shall be considered as short- term capital assets. The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the

shareholder and various other factors. The Central Board of Direct Taxes (CBDT) in a circular has clarified that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as "Capital Gains" unless the shareholder itself treats these as its Stock -in-trade and income arising from transfer thereof as its business income.

3. Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding ₹1,00,000) arising on transfer of equity shares, if STT has been paid on both acquisition and transfer in case of equity shares. The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency. As per section 112A(4) of the Act read with Notification No 60/2018 dated October 1, 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of payment of STT:

   (a) Share acquisitions undertaken prior to October 1, 2004

   (b) Share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.
   (c)
   (d) The benefit of indexation under the second proviso to Section 48 of the Act shall not be applicable for computing long term capital gains taxable u/s. 112A of the Act. As per section 55(2)(ac) of the Act cost of acquisition of equity shares (referred in aforesaid Section 112A of the Act) acquired prior to February 1, 2018, shall be higher of

      (i) Cost of acquisition of asset; and
      (ii) Lower of
         (a) The fair market value of the asset [as defined in Explanation to Section 55(2)(ac)of the Act; and
         (b) The full value of consideration received or accruing as a result of transfer of the capital asset. For the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognised stock exchange on January 31, 2018.

4. The long-term capital gains arising to the shareholders from the transfer of equity shares held as investments, not covered under point 4 above shall be taxable as follows:

   1. Where the equity shares are acquired in convertible foreign exchange, the same shall be taxable at the rate of 10% on the amount of capital gains computed as per point 6 below;
   2. Where the equity shares are acquired in INR, the same shall be taxable at the rate of 20% (plus applicable surcharge and cess) on the amount of capital gains computed after considering the indexation benefit provided under second proviso to Section 48 of the Act or at the rate of 10% on the amount of capital gains computed without indexing the cost of acquisition, whichever is lower.

5. In accordance with, and subject to Section 48 of the Act read with Rule 115A of the Rules, capital gains arising on transfer of shares which are acquired in convertible foreign exchange and not covered under point 4 above shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/ arising from every reinvestment thereafter.

6. Short-term capital gains arising on transfer of the shares will be chargeable to tax at the rate of 15% (plus applicable surcharge and cess) as per the provisions of Section 111A of the Act if such transaction is chargeable to STT. The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

7. The rate of surcharge on capital gains u/s. 111A and u/s. 112Aof the Act arising on sale of equity shares for all taxpayers and capital gains on securities u/s. 115AD(1)(b)of the Act for FIIs will not exceed 15% on the income tax.

8. As per Explanation 4 to Section 115JB(2), the provisions of Section 115JB shall not be applicable to a foreign company if the foreign company is a resident of a country having DTAA with India and such foreign company does not have a Permanent Establishment within the definition of the term in the relevant DTAA, or the foreign company is a resident of a country which does not have a DTAA with India and such foreign company is not required to seek registration u/s. 592 of the Companies Act 1956 or u/s. 380 of the Companies Act 2013.

9. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement ("DTAA"), if any, between India and the country of residence of the non-resident. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the DTAA to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, the non-residents shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of their being a resident in any country outside India, is obtained by them from the government of that country or any specified territory. As per section 90(5) of the Act, the non-residents shall be required to provide such other document and information, as has been notified.

D. SPECIFIC PROVISIONS APPLICABLE TO FPIs AND FIIs:

1. As per Section 2(14) of the Act transfer of any shares/securities by FPIs/FIIs being invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shall be treated as Capital Assets.

2. As per the amended provisions of Section 115AD of the Act:

   (i) Income by way of short term capital gains arising to a FPI/FII on transfer of shares shall be chargeable at a rate of 30% (plus applicable surcharge and cess) where such transactions are not subjected to STT and at the rate of 15% (plus applicable surcharge and cess) if such transaction of sale is entered on a recognized stock exchange in India and is chargeable to STT;
   (ii) Income by way of long-term capital gains arising to a FPI/FII from transfer of long term capital asset referred to in Section 112A of the Act shall be liable to tax at the rate of 10% (plus applicable surcharge and cess) on such income exceeding ₹1,00,000;
   (iii) Income by way of long term capital gains arising to a FPI/FII from the transfer of shares held in the Company (other than that taxable u/s.112Aof the Act shall be taxable at the rate of 10% (plus applicable surcharge and cess).

   The benefits of foreign currency fluctuations and of indexation of cost as per first and second proviso to Section 48 of the Act are not available to FPIs/FIIs.

3. As per Section 196D(2) of the Act no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares, payable to FIIs. Further, TDS on dividend shall be withheld at the rate of 20% u/s. 196D of the Act. The Finance Act 2021 has included a provision to deduct tax at the rate of 20% or at the rate prescribed in DTAA, whichever is lower.

4. Under section 54EC of the Act, Long-term capital gain arising on the transfer of long-term capital assets, being land or building is exempt from tax to the extent the same is invested in long-term specified asset with in a period of six months from the date of such transfer (up to a maximum limit of Rs 50 lakhs). The capital gain shall not be charged to tax subject to certain conditions specified in this section.

5. The definition of long-terms specified asset, for making any investment under the section on or after the1stday of April 2018, means any bond, redeemable after five years and issued on or after 1st day of April 2018 by the National Highways Authority of India or by the Rural Electrification Corporation Limited or any other bond notified by the Central Government in this behalf. This amendment is effective, from1stApril 2019 and is, accordingly, applicable in relation to the assessment year 2019-20 and subsequent assessment years.

E. SPECIFIC PROVISIONS APPLICABLE TONON RESIDENT SHAREHOLDER BEING NON RESIDENT INDIANS (NRIs):

1. Besides the above benefits available to non-residents, NRIs have the option of being governed by the provisions of Chapter XII-A of the Act which, inter alia, entitles them to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange:

   (a) Section 115E of the Act provides that NRIs will be taxed at 10% (plus applicable surcharge and cess) on long-term capital gains arising on sale of shares of the Company which are acquired in convertible foreign exchange.

   (b) Section 115F of the Act provides that, subject to the conditions and to the extent specified therein, long- term capital gains arising to NRIs from transfer of shares of the Company acquired out of convertible foreign exchange shall be exempt from capital gains tax if the net consideration is invested within 6 months of the date of transfer of the asset in any specified asset or in any saving certificates referred to in Section 10(4B) of the Act. In case the whole of the net consideration is not so invested, the exemption shall be allowed on a pro rata basis.

   (c) In accordance with the provisions of Section 115G of the Act, NRIs are not obliged to file a return of income u/s. 139(1) of the Act if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

   (d) In accordance with the provisions of Section 115H of the Act when NRIs become assessable as resident in India, they may furnish a declaration in writing to the Assessing Officer along with their return of income for that year u/s. 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to them in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are transferred or converted into money.

   (e) As per the provisions of Section 115-I of the Act NRIs may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing their return of income for that year u/s. 139 of the Act declaring therein that the provisions of Chapter XII-A shall not apply to them for that assessment year and accordingly, their total income for that assessment year will be computed in accordance with the other provisions of the Act.

F. SPECIFIC PROVISIONS APPLICABLE TO MUTUAL FUNDS:

Section 10(23D) of the Act provides that any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf. As per Section 196 of the Act no tax is to be deducted from any income payable to a Mutual Fund specified u/s. 10(23D) of the Act.

G. SPECIFIC PROVISIONS APPLICABLE TO VENTURE CAPITAL COMPANIES/ FUNDS:

Section 10(23FB) of the Act provides that any income of Venture Capital Company or Venture Capital Fund, to whom the certificate of registration is granted under SEBI (Venture Capital Funds) Regulations, 1996 before May 21, 2012 or has been granted a certificate of registration as Venture Capital Fund as a sub-category I Alternative Investment Fund and is regulated under SEBI (Alternative Investment Funds Regulations) 2012, under the SEBI Act, 1992, from a Venture Capital Undertaking would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Act any income derived by a person from his investment in Venture Capital Company/Venture Capital Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing or arising to or received by such person had the investments been made directly in the Venture Capital Undertaking.

H. SPECIFIC PROVISIONS APPLICABLE TO INVESTMENT FUND

1. Income of an Investment Fund, being a Trust, Company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration and is regulated under SEBI (Alternative Investment Funds) Regulations, 2012 as Category I or Category II Alternate Investment Fund, other than the income chargeable under the head 'profits and gains of business and profession' shall be exempt from tax u/s. 10(23FBA) of the Act.

2. Section 115UB of the Act provides that the income chargeable under the head 'profits and gains of business and profession' shall be taxed in the hands of investment fund depending on the legal status (i.e. a company, a limited liability partnership, body corporate or a Trust) of the Fund and at the rate or rates as specified in the Finance Act of the relevant year. However income (other than income chargeable under the head profits and gains of business or profession) of the unit holder out of the investment made in such investment fund is chargeable to income-tax in the same manner as if it were income accruing or arising to, or received by, such unit holder had the investments, made by the Investment Fund, been made directly by him. Further, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

As regards income of an Investment Fund, being a Trust, Company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration as Category III Alternate Investment Fund, and is regulated under SEBI (Alternative Investment Funds) Regulations, 2012 will be taxed in India depending on the legal status of the Fund. In case the Fund is set – up as a trust, the principles of trust taxation should apply.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Equity Shares by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Equity Shares that are U.S. Holders and that will hold the Equity Shares as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Equity Shares by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws (such as estate or gift tax laws). This summary also does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 10 per cent. or more of the shares of the Bank by vote or value, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Equity Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Equity Shares in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad, U.S. holders that are required to take certain amounts into income no later than the time such amounts are reflected on an applicable financial statement or investors whose functional currency is not the U.S. dollar).

As used herein, the term "U.S. Holder" means a beneficial owner of Equity Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Equity Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Equity Shares by the partnership.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and India (the "**Treaty**"), all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF THE EQUITY SHARES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Dividends

Subject to the PFIC rules discussed below, distributions paid by the Bank out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), before reduction for any Indian withholding tax paid by the Bank with respect thereto, generally will be taxable to a U.S. Holder as dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Equity Shares and thereafter as capital gain. However, the Bank does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Bank with respect to Equity Shares will be reported as ordinary dividend income. Dividends paid by the Bank generally will be taxable to a non-corporate U.S. Holder at the special reduced rate normally applicable to long-term capital gains, provided the Bank qualifies for the benefits of Treaty, and certain other requirements are met. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Bank.

Dividends paid in Indian rupee will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the U.S. Holder, regardless of whether the Indian rupee are converted into U.S. dollars at that time. If dividends received in Indian rupee are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

A U.S. Holder generally will be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Indian income taxes withheld by the Bank. Dividends generally will constitute "passive category income" for purposes of the foreign tax credit. The rules governing foreign tax credits are complex. Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of Indian withholding taxes.

Sale or other Disposition

Subject to the PFIC rules discussed below, upon a sale or other disposition of Equity Shares, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other disposition and the U.S. Holder's adjusted tax basis in the Equity Shares, in each case as determined in U.S. dollars. U.S. Holders should consult their own tax advisors about how to account for proceeds received on the sale or other disposition of Equity Shares that are not paid in U.S. dollars. Capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Equity Shares exceeds one year.

Any gain or loss generally will be U.S. source. Therefore, a U.S. Holder may have insufficient foreign source income to utilise foreign tax credits attributable to any Indian withholding tax imposed on a sale or disposition. Prospective purchasers should consult their tax advisers as to the availability of and limitations on any foreign tax credit attributable to this Indian withholding tax.

Disposition of Foreign Currency

Foreign currency received on the sale or other disposition of a Share will have a tax basis equal to the U.S. dollar value on the settlement date. Foreign currency that is purchased generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Equity Shares or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Passive Foreign Investment Company Considerations

A foreign corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules," either (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. For these purposes, "passive income" generally includes interest, dividends and gains from non-dealer securities and transactions. However, under certain proposed U.S. treasury regulations, gross income derived from the active conduct of certain banking activities is treated as non-passive income. In determining the value and composition of the Bank's assets, the cash generally is considered to be held for the production of passive income and thus is considered a passive asset.

The Bank does not believe that it was a PFIC in its most recent taxable year and does not expect to be a PFIC for the current taxable year. This is based on the proposed U.S. treasury regulations described above, on estimates of the Bank's income and assets and expectations of active banking activity. However, because the proposed U.S. treasury regulations may not be finalised in their current form, the application of the proposed regulations to the Bank's circumstances is not entirely clear. The Bank's possible status as a PFIC must be determined annually and, as the composition of the Bank's income and assets will vary over time, there can be no assurance that the Bank will not be a PFIC for any year in which a U.S. Holder holds Equity Shares.

If the Bank is a PFIC in any year during which a U.S. Holder owns Equity Shares, the U.S. Holder will generally be subject to special rules (regardless of whether the Bank continues to be a PFIC) with respect to (i) any "excess distribution" (generally, any distribution during a taxable year in which distributions received by the U.S. Holder on the Equity Shares are greater than 125% of the average annual distributions received by the U.S. Holder in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the Equity Shares) and (ii) any gain realised on the sale or other disposition of Equity Shares. Under these rules (a) the excess distribution or gain will be allocated rateably over the U.S. Holder's holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which the Bank is a PFIC will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year and an interest charge for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year. Additionally, dividends paid by the Bank will not be eligible for the special reduced rate of tax described above under "*Dividends*".

U.S. Holders can avoid the interest charge by making a mark to market election with respect to the Equity Shares, provided that the Equity Shares are "marketable". Equity Shares will be marketable if they are regularly traded on certain U.S. stock exchanges, or on a foreign stock exchange if: (i) the foreign exchange is regulated or supervised by a governmental authority of the country in which the exchange is located; (ii) the foreign exchange has trading volume, listing, financial disclosure, surveillance and other requirements designed to prevent fraudulent and manipulative acts and practices, remove impediments to, and perfect the mechanism of, a free and open, fair and orderly, market, and to protect investors; (iii) the laws of the country in which the exchange is located and the rules of the exchange ensure that these requirements are actually enforced; and (iv) the rules of the exchange ensure active trading of listed stocks. For these purposes, the Equity Shares will be considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Any trades that have as one of their principal purposes the meeting of this requirement will be disregarded. A U.S. Holder that makes a mark to market election must include in ordinary income for each year an amount equal to the excess, if any, of the fair market value of the Equity Shares at the close of the taxable year over the U.S. Holder's adjusted basis in the Equity Shares. An electing holder may also claim an ordinary loss deduction for the excess, if any, of the U.S. Holder's adjusted basis in the Equity Shares over the fair market value of the Equity Shares at the close of the taxable year, but this deduction is allowable only to the extent of any net mark to market gains for prior years. Gains from an actual sale or other disposition of the Equity Shares will be treated as ordinary income, and any losses incurred on a sale or other disposition of the Equity Shares will be treated as an ordinary loss to the extent of any net mark to market gains for prior years. Once made, the election cannot be revoked without the consent of the IRS unless the Equity Shares cease to be marketable.

To mitigate the application of the PFIC rules discussed above, in some cases a U.S. Holder may make a qualified electing fund ("**QEF**") election to be taxed currently on its share of the PFIC's undistributed income. To make a QEF election, the Bank must provide U.S. Holders with certain information compiled according to U.S. federal income tax principles. The Bank currently does not intend to provide such information for U.S. Holders, and therefore it is expected that this election will be unavailable.

A U.S. Holder who owns, or who is treated as owning, PFIC stock during any taxable year in which the Bank is classified as a PFIC may be required to file IRS Form 8621. Prospective purchasers should consult their tax advisers regarding the requirement to file IRS Form 8621 and the potential application of the PFIC regime.

Backup Withholding and Information Reporting

Dividends and other proceeds with respect to Equity Shares, by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the acquisition, ownership or disposition of Equity Shares, including requirements related to the holding of certain "*specified foreign financial assets*."

STATUTORY AUDITORS

Our Bank's financial statements are prepared in accordance with Indian GAAP under the guidelines issued by the ICAI, guidelines issued by the RBI from time to time and practices generally prevailing in the banking industry in India. The Bank's financial statements included in this Placement Document were audited, as the case may be, by a rotation of auditors appointed by RBI.

As on the date of this Placement Document, SARC & Associates, Chartered Accountants, Kailash Chand Jain & Co., Chartered Accountants, S Singhal & Co., Chartered Accountants, G Balu Associates LLP, Chartered Accountants and Dass Gupta & Associates, Chartered Accountants are the statutory central auditors of our Bank (the "**Statutory Auditors**").

Our audited consolidated financial statements and standalone financial statements as at and for Fiscals 2023, included in this Placement Document were jointly audited by M/s PKF Sridhar & Santhanam LLP, Chartered Accountants, M/s G Natesan & Co., Chartered Accountants, SARC & Associates, Chartered Accountants, Kailash Chand Jain & Co., Chartered Accountants and S Singhal & Co., Chartered Accountants

Our audited consolidated financial statements and standalone financial statements as at and for Fiscals 2022, included in this Placement Document were jointly audited by M/s Sriramamurthy & Co., Chartered Accountants, M/s Ravi Rajan & Co. LLP, Chartered Accountants, M/s PKF Sridhar & Santhanam LLP, Chartered Accountants, M/s G Natesan & Co., Chartered Accountants and SARC & Associates, Chartered Accountants

Our audited consolidated financial statements and standalone financial statements as at and for Fiscals 2021, included in this Placement Document were jointly audited by M/s. K C Mehta & Co., Chartered Accountants, M/s Sriramamurthy & Co., Chartered Accountants, M/s Ravi Rajan & Co. LLP, Chartered Accountants, M/s PKF Sridhar & Santhanam LLP, Chartered Accountants, M/s G Natesan & Co., Chartered Accountants.

LEGAL PROCEEDINGS

Our Bank, its Subsidiaries and Joint Ventures are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. Our Bank believes that the number of proceedings and disputes in which the Bank or its Subsidiaries or Joint Ventures are involved is not unusual for a bank of our size doing business in India and in international markets. These legal proceedings are primarily in the nature of tax proceedings, recovery proceedings, consumer disputes, regulatory and statutory proceedings, criminal complaints and other civil proceedings, pending before various adjudicating forums. Further, certain regulatory and statutory authorities such as the Reserve Bank of India, the banking ombudsman, various tax authorities and other authorities have, in the past, taken action and/or imposed penalties against our Bank, its Subsidiaries and Joint Ventures, including those during routine inspections undertaken in the ordinary course of business.

*Except as disclosed in this section, there are no outstanding legal proceedings which have been considered material in accordance with our Bank's periodically published disclosure policies framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Policy of Materiality**").*

*Additionally, solely for the purpose of the Issue, our Bank has also disclosed in this section, to the extent applicable, (i) all outstanding criminal proceedings involving our Bank, its Directors, its Subsidiaries and Joint Ventures; (ii) all outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) against our Bank, its Directors, its Subsidiaries and Joint Ventures; (iii) any other outstanding civil litigation involving our Bank, its Directors, its Subsidiaries and Joint Ventures, where the amount involved in such proceeding is exceeding ₹ 1,055.78 crores (being 2% of the consolidated total income of the Bank aggregating to ₹ 52,789.66 crores for the financial year ended March 31, 2023) ("**Materiality Threshold**"); and (iv) any other outstanding litigation involving our Bank, its Directors, its Subsidiaries and Joint Ventures wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of the Bank, as on the date of this Placement Document. Additionally, the outstanding direct and indirect taxes proceeding involving our Bank, its Subsidiary and its Directors above the Materiality Threshold is disclosed.*

It is clarified that for the purposes of the above, pre-litigation notices received by our Bank, its Directors, its Subsidiaries and Joint Ventures from third parties (excluding those notices issued by statutory/regulatory authorities) have not been disclosed in this Placement Document unless the above-mentioned entities have been impleaded as a defendant or respondent in a litigation proceeding before any judicial forum or arbitral tribunal. In the ordinary course of business, especially in relation to recovery of loans, the Bank initiates criminal proceedings under applicable laws, which have not been disclosed in this Placement Document separately unless the amount involved therein is more than the Materiality Threshold. A consolidated disclosure for dishonor of cheques (under Section 138 of the Negotiable Instruments Act, 1881), cases under the Banking Ombudsman Scheme and fraud reporting has been made in this Placement Document. In the ordinary course of business, our Bank is also involved in litigation instituted by its employees, including in relation to retrenchment, gratuity etc. and cases instituted by its customers before the designated banking ombudsman.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

1. Litigation against our Bank

A. Criminal case against the Bank

1. Sushil Kumar Agarwal and others ("**Petitioners**") have filed a petition bearing no. CRR 412/2019 before the Hon'ble High Court of Calcutta against the State of West Bengal, Indian Bank and others ("**Respondents**") for quashing of proceedings in GR case no. 5183/2018 corresponding to FIR no. 1319/18 dated December 12, 2018 for the commission of offences under Section 405 and 420 of Indian Penal Code, 1860 at the English Bazar Police Station. The amount involved in the matter is ₹ 0.86 crore. The matter is pending before the High Court of Calcutta for disposal.

2. Chandi Charan Chattyopadhyay ("**Petitioner**") has filed a petition bearing no. CRR 841/2021 before the Hon'ble High Court of Calcutta against the State of West Bengal, Indian Bank and others ("**Respondents**") for quashing of proceedings in connection with special case no. 18 of 2020 arising out of FIR no. 347/15 dated October 9, 2015 for the commission of offence under Section 409 of the Indian penal Code,1860 at the Gangarampur Police Station. The matter is pending before the High Court of Calcutta for disposal.

3. Binod Kumar Pandey professor of Patna University ("**Complainant**") lodged a FIR no. 569/18 dated October 2, 2018 at the Pirbahore Police Station against the Branch Manager of erstwhile Allahabad Bank ("**Accused Person'**) under Sections 379, 420, 467, 468 and 471 of the Indian Penal Code, 1860 for fraudulently withdrawing money via cheque from their savings bank account. Even after repeated assurances of re-crediting the money to the concerned account the Bank has failed to credit the money. The matter is pending before the Chief Judicial Magistrate Court, Patna for disposal.

4. Lal Babu ("**Complainant**") lodged a FIR no. 101/21 dated March 2, 2021 at the Pirbahore Police Station against the NIT Branch Manager of the erstwhile Allahabad Bank ("**Accused Person'**) under Sections 420, 467, 468 and 471 of Indian Penal Code, 1860 for fraudulently withdrawing ₹ 0.06 crore via cheque from his bank account jointly operated with his wife. The pecuniary value involved is ₹0.06 crore. The matter is pending before the Chief Judicial Magistrate Court, Patna for disposal.

5. Nandakishore Prasad Yadav ("**Complainant**") lodged a FIR no. 197/21 dated April 23, 2021 at the Kotwal Police Station against the Branch Manager of the erstwhile Allahabad Bank ("**Accused Person**") under Sections 420, 467, 468 and 471 of the Indian Penal Code, 1860 for fraudulently withdrawing ₹0.12 crore via cheque from his bank account. The pecuniary value involved is ₹0.12 crore. The matter is pending before the Chief Judicial Magistrate Court, Patna for disposal.

B. Outstanding action against the Bank by statutory or regulatory authorities

As on the date of this Placement Document, there are no outstanding proceedings against the Bank by statutory or regulatory authorities.

C. *Civil cases above the materiality threshold against the Bank*

As on the date of this Placement Document, there are no civil cases exceeding the Materiality Threshold that have been filed against the Bank.

D. Cases filed against the Bank under SARFAESI action taken by our Bank

As on date of this Placement Document, the borrowers have challenged the Bank's SARFAESI action whose accounts have been declared NPA, under the SARFAESI Act for recovery of dues in 219 cases.

E. Banking Ombudsman Complaints

The Banking Ombudsman has imposed fines and penalties on our Bank based on Complaints received from our customers alleging, inter alia, failure by our Bank to dispense amount from ATMs, fraudulent debit of accounts, failure to provide interest subsidy loan facilities availed of by persons belonging to economically weaker sections and discrepancies in remittances. The total number of cases pending before the Banking Ombudsman for Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 are 446, 460 and 238 respectively.

F. Taxation cases above the materiality threshold involving the Bank

Direct Tax Cases:

The Income Tax Department issued an assessment order for the assessment year 2016-17 dated December 28, 2018 under Section 143(3) of Income Tax Act, 1961 ("**IT Act**") against erstwhile Allahabad Bank, disallowing ₹ 226.27 crore, ₹ 17.56 crore and ₹3,289.80 crore under section 14A read with Rule 8D, section 36(1) (va) and section 36(1)(vii) of IT Act respectively. The order also disallowed amortization of premium paid for purchase of HTM securities amounting to ₹0.59 crores. Erstwhile Allahabad Bank filed an appeal on January 28, 2019 to the Commissioner of Income Tax (Appeals) ("**CIT(A)**"), Kolkata under section 246A of IT Act, against the assessment order. The appeal was heard by CIT(A) through National Faceless Appeal Centre ("**NFAC**") and dismissed the appeal vide order dated December 06, 2022. Our Bank filed appeal before ITAT, Kolkata under section 253 of IT Act on February 02, 2023, against the order of CIT(A). ITAT, Kolkata dismissed the order of CIT(A) by restoring the appeal back to the file of the CIT(A) for deciding the matter afresh on merit vide order dated May 19, 2023. The matter is currently pending for hearing before CIT(A).

Indirect Tax Cases:

As on date of this Placement Document, there are no indirect tax cases that have been filed involving the Bank which exceed the Materiality Threshold.

2. Litigation by our Bank

A. Criminal cases filed by our Bank

i. Cases filed under Section 138 of Negotiable Instruments Act, 1881

A total of 219 legal proceedings filed by our Bank are pending as on date of this Placement Document, against accused persons under section 138 of the Negotiable Instruments Act, 1881 and the amount involved in such cases aggregate to a sum of ₹ 20.33 crore.

ii. *Fraud Complaints*

Our Bank has a Fraud Risk Management Cell ("**FRMC**") headed by the Deputy General Manager under the supervision of the Chief Risk Officer of the Bank. The FRMC reports the Fraud Monitoring Returns (**"FMR")** to the RBI within 21 days of declaration of Frauds by appropriate Fraud Examination Committee. The FRMC head ensures compliance with regulatory guidelines on fraud classification and reporting. Thereafter, in terms of the guidelines issued by the RBI, our Bank files the complaint in fraud cases, with the respective authority assigned as per the following criteria set up.:

AMOUNT INVOLVED IN THE FRAUD	AUTHORITY TO PERMIT FILING OF COMPLAINT	AGENCY TO WHOM COMPLAINT SHOULD BE LODGED
Below ₹ 1.00 lac	Fraud Examination Committee	Local Police Station
₹ 1 lac and above but below ₹ 3.00 crore/5 Crore	Fraud Examination Committee at FGMO (5 Cr in case of FGMO headed by Chief General Manager)	State CID / Economic Offences Wing of the State concerned
₹ 3.00 crore and above but below ₹ 25.00 crore	GMs Committee at CO (Fraud Examination Committee)	Anti-Corruption Branch/ Economic Offence Wing of CBI
₹ 25.00 crore and above but below ₹ 50.00 crore	CGMs Committee at CO (Fraud Examination Committee)	Banking Securities & Fraud Cell of CBI
₹ 50.00 crore and above	CGMs Committee at CO (Fraud Examination Committee)	Joint Director (Policy) CBI, HQ Delhi

Details of aggregate complaints made by our Bank on account of fraud in the Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 are tabulated below:

Period	Number of Fraud Cases	Amount involved *(₹ in crore)*	Number of fraud cases above materiality threshold	Amount involved in fraud cases above the Materiality Threshold *(₹ in crore)*
Financial year ended March 31, 2021	219	3,759.68	1	1,355.44
Financial year ended March 31, 2022	211	2,036.69	Nil	Nil
Financial year ended March 31, 2023	429	493.31	Nil	Nil
TOTAL	**859**	**6,289.68**	**1**	**1,355.44**

iii. *Other criminal Matters*

1. The Erstwhile Allahabad Bank ("**Petitioner**") has filed a petition bearing No. ST/9500585/2009, before the District and Sessions Court ("**Court**") against Debashish Banerjee ("**Respondent**"). The Petitioner had lodged FIR no. 870/ 2008 on September 16, 2009, against the Respondent who was the head cashier of Matamandir Branch of the Petitioner, for misappropriating ₹0.17 crore from the cash deposit of the Petitioner. The matter is pending before the Court for disposal.

2. The Erstwhile Allahabad Bank, Civil Lines branch ("**Petitioner**") has filed a Petition bearing No. 08/2012 before the Judicial Magistrate-IV, Allahabad ("**Magistrate**") against Bhanu Prakash ("**Respondent**"). The Petitioner has filed the case against the Respondent for mortgaging a fake sale deed of the property situated at 55-B, Vinod Vatika Kacchi Sadak, Sulem Saray, Allahabad to obtain a loan of ₹0.18 crore from the bank. The matter is pending before the Magistrate for disposal.

3. The Erstwhile Allahabad Bank, Civil Lines branch ("**Petitioner**") has filed a Petition bearing No. 8277/2013 before the Judicial Magistrate-IV, Allahabad ("**Magistrate**") against Amit Chatterji ("**Respondent**"). The Petitioner has filed the case against the Respondent for mortgaging a fake sale deed of the property situated at 186 Shehrara Bagh, Bhutthi Ganj, Sadar, Allahabad to obtain a loan of ₹0.06 crore from the bank. The matter is pending before the Magistrate for disposal.

4. The Erstwhile Allahabad Bank, Civil Lines branch ("**Petitioner**") has filed a Petition bearing No. 8286/2013 before the Judicial Magistrate-IV, Allahabad ("**Magistrate**") against Yogendra Soni ("**Respondent**"). The Petitioner has filed the case against the Respondent for mortgaging a fake sale deed of the property situated at 513/384 B, Antar Suia, Allahabad to obtain a loan of ₹0.10 crore from the bank. The matter is pending before the Magistrate for disposal.

5. The Erstwhile Allahabad Bank, Civil Lines branch ("**Petitioner**") has filed a Petition bearing No. 5666/2013 before the Judicial Magistrate-IV, Allahabad ("**Magistrate**") against Manish Srivastva ("**Respondent**"). The Petitioner has filed the case against the Respondent for mortgaging a fake sale deed of the property situated at 206, Gud ki Mandi Chowk, Allahabad to obtain a loan of ₹0.06 crore from the bank. The matter is pending before the Magistrate for disposal.

6. The Erstwhile Allahabad Bank, Civil Lines branch ("**Petitioner**") has filed a Petition bearing No. 8289/2013 before the Judicial Magistrate-IV, Allahabad ("**Magistrate**") against Sunil Kumar ("**Respondent**"). The Petitioner has filed the case against the Respondent for mortgaging a fake sale deed of the property situated at 74, Mirapur, Allahabad to obtain a loan of ₹0.09 crore from the bank. The matter is pending before the Magistrate for disposal.

7. The Erstwhile Allahabad Bank, Civil Lines branch ("**Petitioner**") has filed a Petition bearing No. 8285/2013 before the Judicial Magistrate-IV, Allahabad ("**Magistrate**") against Yogesh Sharma ("**Respondent**"). The Petitioner has filed the case against the Respondent for mortgaging a fake sale deed of the property situated at 98/8, Rani Mandi, Allahabad to obtain a loan of ₹0.08 crore from the bank. The matter is pending before the Magistrate for disposal.

8. The Erstwhile Allahabad Bank, Civil Lines branch ("**Petitioner**") has filed a petition bearing no. 8288/2013 before the Judicial Magistrate-IV, Allahabad ("**Magistrate**") against Anil Kumar Chaurasiya ("**Respondent**"). The Petitioner has filed the case against the Respondent for mortgaging a fake sale deed of the property situated at 399/357, Mahitsim Ganj, Allahabad to obtain a loan of ₹0.08 crore from the bank. The matter is pending before the Magistrate for disposal.

A. Debt Recovery Proceedings

Our Bank is involved in 7362 debt recovery proceedings, with the aggregate amount involved being ₹27,398.53 crore, of which there are no cases which meet the Materiality Threshold which are currently pending before the debt recovery tribunal, state high courts or/and the Supreme Court of India.

B. Insolvency Proceedings

Our Bank is involved in 632 insolvency proceedings with the aggregate amount involved being ₹ 69,052.13 crore, of which there are 6 cases which meet the Materiality Threshold with the aggregate amount involved being to ₹7,528.17 crore which are currently pending before various benches of the National Company Law Tribunal / National Company Appellate Law Tribunal.

3. Litigation involving the Subsidiaries and Joint Ventures

A. Criminal case involving the Subsidiaries and Joint Ventures

As on the date of this Placement Document, there are no criminal cases involving the Subsidiaries and Joint Ventures.

B. Civil cases above the materiality threshold involving the Subsidiaries and Joint Ventures

As on the date of this Placement Document, there are no civil cases exceeding the Materiality Threshold involving the Subsidiaries and Joint Ventures.

C. Taxation cases above the materiality threshold involving the Subsidiaries and Joint Ventures

As on the date of this Placement Document, there are no tax matters exceeding the Materiality Threshold involving the Subsidiaries and Joint Ventures.

D. *Outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) against the Subsidiaries and Joint Ventures*

As on the date of this Placement Document, there are no regulatory actions involving the Subsidiaries and Joint Ventures.

4. Litigation Involving our Directors

A. Criminal cases involving our Directors

As on the date of this Placement Document, there are no criminal cases involving any our Directors.

B. Civil cases involving our Directors

As on the date of this Placement Document, there are no civil cases above the Materiality Threshold, involving any our Directors.

C. Outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) against our Directors

As on the date of this Placement Document, there are no regulatory actions against our Directors.

GENERAL INFORMATION

1. Our Bank was incorporated on March 5, 1907 under the Indian Companies Act, 1882 as 'Indian Bank Limited'. Our Bank was constituted as 'Indian Bank' under the Banking Companies Act on July 19, 1969.

2. The corporate office of the Bank is located at No. 254-260, Avvai Shanmugam Salai, Royapettah, Chennai – 600 014, Tamil Nadu, India.

3. The Equity Shares are listed on the BSE and NSE.

4. The Issue has been authorised and approved by the Board, through its resolution dated May 8, 2023 and our Shareholders through a special resolution passed at the AGM held on June 19, 2023.

5. Our Bank has received in-principle approvals under Regulation 28(1)(a) of the SEBI Listing Regulations from both BSE and NSE on December 12, 2023, respectively. We will apply for final listing and trading approvals of the Equity Shares on the Stock Exchanges.

6. Our Bank has also obtained the necessary consents, approvals and authorisations required in connection with the Issue, including the recommendation from RBI dated April 10, 2023 and approval from the Ministry of Finance, GoI dated October 25, 2023.

7. As on the date of this Placement Document, SARC & Associates, Chartered Accountants, Kailash Chand Jain & Co., Chartered Accountants, S Singhal & Co., Chartered Accountants, G Balu Associates LLP, Chartered Accountants and Dass Gupta & Associates, Chartered Accountants are the statutory auditors of our Bank.

8. Except as disclosed in this Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue.

9. The Floor Price for the Equity Shares under the Issue is ₹414.44 per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Bank offered a discount of 4.932% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations.

10. Our Bank and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

FINANCIAL STATEMENTS

Financial Statement
Unaudited Standalone and Consolidated Financial Statements of Indian Bank for six months period ended September 30, 2023.
Unaudited Standalone and Consolidated Financial Statements of Indian Bank for six months period ended September 30, 2022.
Audited Standalone and Consolidated Financial Statements of Indian Bank for the year ended March 31, 2023
Audited Standalone and Consolidated Financial Statements of Indian Bank for the year ended March 31, 2022
Audited Standalone and Consolidated Financial Statements of Indian Bank for the year ended March 31, 2021

इंडियन बैंक Indian Bank

Reviewed Standalone Financial Results for the Quarter / Half year ended 30th September 2023

(Rs. in Crores)

SL. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2023 (Reviewed)	30.06.2023 (Reviewed)	30.09.2022 (Reviewed)	30.09.2023 (Reviewed)	30.09.2022 (Reviewed)	31.03.2023 (Audited)
1	**Interest earned (a)+(b)+(c)+(d)**	**13 743.26**	**13 049.41**	**10 709.90**	**26 792.67**	**20 863.56**	**44 942.21**
	(a) Interest/ discount on advances/ bills	10 029.78	9 603.41	7 433.67	19 633.19	14 538.72	31 941.15
	(b) Income on investments	3 346.94	3 085.87	2 895.95	6 432.81	5 663.09	11 647.17
	(c) Interest on balances with Reserve Bank of India and other inter bank funds	325.37	268.21	248.07	593.58	477.36	877.53
	(d) Others	41.17	91.92	132.21	133.09	184.39	476.36
2	**Other Income**	**1 992.97**	**1 709.58**	**1 828.11**	**3 702.55**	**3 432.74**	**7 143.06**
3	**Total Income (1+2)**	**15 736.23**	**14 758.99**	**12 538.01**	**30 495.22**	**24 296.30**	**52 085.27**
4	**Interest Expended**	**8 003.07**	**7 345.90**	**6 025.93**	**15 348.97**	**11 645.61**	**24 716.75**
5	**Operating Expenses (a) + (b)**	**3 430.43**	**3 278.44**	**2 882.83**	**6 708.87**	**5 457.06**	**12 097.90**
	(a) Employees cost	2 176.90	2 118.59	1 776.59	4 295.49	3 315.88	7 527.23
	(b) Other Operating expenses	1 253.53	1 159.85	1 106.24	2 413.38	2 141.18	4 570.67
6	**Total Expenditure (4+5) (excluding provisions and contingencies)**	**11 433.50**	**10 624.34**	**8 908.76**	**22 057.84**	**17 102.67**	**36 814.65**
7	**Operating Profit (3-6) (Profit before Provisions and Contingencies)**	**4 302.73**	**4 134.65**	**3 629.25**	**8 437.38**	**7 193.63**	**15 270.62**
8	**Provisions (other than tax) and Contingencies**	**1 550.65**	**1 740.64**	**2 058.55**	**3 291.29**	**4 277.48**	**9 356.21**
	of which provisions for Non-Performing Assets	917.70	929.90	2 000.01	1 847.60	4 002.16	6 516.22
9	Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00
10	**Profit from ordinary activities before tax (7-8-9)**	**2 752.08**	**2 394.01**	**1 570.70**	**5 146.09**	**2 916.15**	**5 914.41**
11	**Provision for Taxes (Tax expenses/ (reversal))**	**764.32**	**685.18**	**345.48**	**1 449.50**	**477.49**	**632.71**
12	**Net Profit from Ordinary Activities after tax (10-11)**	**1 987.76**	**1 708.83**	**1 225.22**	**3 696.59**	**2 438.66**	**5 281.70**
13	Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00	0.00	0.00
14	**Net Profit for the period (12-13)**	**1 987.76**	**1 708.83**	**1 225.22**	**3 696.59**	**2 438.66**	**5 281.70**
15	Paid-up equity share capital (Face Value of each share - Rs.10/-)	1 245.44	1 245.44	1 245.44	1 245.44	1 245.44	1 245.44
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	40 620.42	40 620.42	36 252.34	40 620.42	36 252.34	40 620.42
17	**Analytical Ratios**						
	(i) Percentage of shares held by Government of India	79.86%	79.86%	79.86%	79.86%	79.86%	79.86%
	(ii) Capital Adequacy Ratio (Basel III)	15.53%	15.78%	16.15%	15.53%	16.15%	16.49%
	(a) Common Equity Tier (CET) 1 Ratio	12.07%	12.31%	12.26%	12.07%	12.26%	12.89%
	(b) Additional Tier 1 Ratio	0.56%	0.57%	0.63%	0.56%	0.63%	0.59%
	(iii) Earnings Per Share (Rs.) (Face Value of each share - Rs.10/-)						
	(a) Basic and diluted EPS before Extraordinary items (net of tax expenses) for the period, for the year to date and for the previous year	*15.96	*13.72	*9.84	*29.68	*19.58	42.41
	(b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	*15.96	*13.72	*9.84	*29.68	*19.58	42.41

INDIAN BANK C.O. Accts Dept CHENNAI

SARC & ASSOCIATES 006085N Chartered Accountants

KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

G BALU ASSOCIATES LLP CHENNAI Chartered Accountants

DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

इंडियन बैंक Indian Bank

ALLAHABAD

Reviewed Standalone Financial Results for the Quarter / Half year ended 30th September 2023

(Rs. in Crores)

SL. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2023 (Reviewed)	30.06.2023 (Reviewed)	30.09.2022 (Reviewed)	30.09.2023 (Reviewed)	30.09.2022 (Reviewed)	31.03.2023 (Audited)
	(iv) NPA Ratios:						
	(a) Amount of gross non-performing assets	24 487.53	26 226.92	31 958.83	24 487.53	31 958.83	28 179.53
	(b) Amount of net non-performing assets	2 825.85	3 197.55	6 174.13	2 825.85	6 174.13	4 043.07
	(c) % of Gross NPAs	4.97	5.47	7.30	4.97	7.30	5.95
	(d) % of Net NPAs	0.60	0.70	1.50	0.60	1.50	0.90
	(v) Return on Assets (average) (annualised %)	1.06	0.95	0.71	1.01	0.72	0.77
	(vi) Debt Equity Ratio **	0.40	0.40	0.43	0.40	0.43	0.43
	(vii) Total Debt to Total Assets (%) ***	3.37	2.81	3.27	3.37	3.27	3.11
	(viii) Capital Redemption Reserve/ Debenture Redemption Reserve	NIL	NIL	NIL	NIL	NIL	NIL
	(ix) Outstanding Reedemable Preference Shares	NIL	NIL	NIL	NIL	NIL	NIL
	(x) Networth	40 867.24	39 028.73	36 069.31	40 867.24	36 069.31	37 431.30
	(xi) Operating Profit Margin (%)	27.34	28.01	28.95	27.67	29.61	29.32
	(xii) Net Profit Margin (%)	12.63	11.58	9.77	12.12	10.04	10.14

* Not annualised

** Debt represents borrowing with residual maturity of more than one year

*** Total Debt represents total borrowings of the Bank

Note: Figures of previous periods have been regrouped/reclassified wherever considered necessary to conform to current period classification

PBasu
Paramita Basu
Asst. General Manager

Neelmani Bhardwaj
Deputy General Manager

Sunil Jain
General Manager - CFO

Shiv Bajrang Singh
Executive Director

A Choudhry
Ashutosh Choudhury
Executive Director

Mahesh Kumar Bajaj
Executive Director

Imran Amin Siddiqui
Executive Director

S L Jain
Managing Director & CEO

Place : Chennai
Date : 26.10.2023

INDIAN BANK C.O. CHENNAI

SARC & ASSOCIATES FRN 006085N Chartered Accountants

KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

G BALU ASSOCIATES LLP CHENNAI Chartered Accountants

DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

इंडियन बैंक Indian Bank

Reviewed Standalone Segment Wise Results for the Quarter/ Half year ended 30th September 2023

(Rs. in Crores)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2023 (Reviewed)	30.06.2023 (Reviewed)	30.09.2022 (Reviewed)	30.09.2023 (Reviewed)	30.09.2022 (Reviewed)	31.03.2023 (Audited)
Part A. Business Segments						
I. Segment Revenue						
(a) Treasury Operations	3 862.64	3 923.10	3 603.20	7 785.74	6 838.63	13 781.49
(b) Corporate / Wholesale Banking	5 554.31	5 118.26	4 266.22	10 672.57	8 454.81	18 223.54
(c) Retail Banking	6 160.79	5 557.40	4 538.20	11 718.19	8 759.43	19 474.98
(i) Digital Banking Segment	*0.01*	*0.00*	*NA*	*0.01*	*NA*	*0.00*
(ii) Other Retail Banking Segment	*6 160.78*	*5 557.40*	*4 538.20*	*11 718.18*	*8 759.43*	*19 474.98*
(d) Other Banking operations	158.49	160.23	130.39	318.72	243.43	605.26
Total	**15 736.23**	**14 758.99**	**12 538.01**	**30 495.22**	**24 296.30**	**52 085.27**
Less : Inter segment Revenue	0.00	0.00	0.00	0.00	0.00	0.00
Income from operations	**15 736.23**	**14 758.99**	**12 538.01**	**30 495.22**	**24 296.30**	**52 085.27**
II. Segment Results- Profit before tax						
(a) Treasury Operations	1 426.84	1 645.17	1 541.69	3 072.01	2 961.43	5 673.24
(b) Corporate / Wholesale Banking	1 320.04	1 151.61	974.04	2 471.65	2 012.42	4 468.80
(c) Retail Banking	1 443.53	1 221.00	1 025.88	2 664.53	2 062.98	4 702.20
(i) Digital Banking Segment	*(0.09)*	*(0.06)*	*NA*	*(0.15)*	*NA*	*(0.25)*
(ii) Other Retail Banking Segment	*1 443.62*	*1 221.06*	*1 025.88*	*2 664.68*	*2 062.98*	*4 702.45*
(d) Other Banking Operations	112.32	116.87	87.64	229.19	156.80	426.38
Total	**4 302.73**	**4 134.65**	**3 629.25**	**8 437.38**	**7 193.63**	**15 270.62**
Add : (i) Other Un-allocable Income	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Exceptional item	0.00	0.00	0.00	0.00	0.00	0.00
Less : Other Un-allocated Expenditure (includes Provision & contingencies)	1 550.65	1 740.64	2 058.55	3 291.29	4 277.48	9 356.21
III.Total Profit Before Tax	**2 752.08**	**2 394.01**	**1 570.70**	**5 146.09**	**2 916.15**	**5 914.41**
Less : Provisions for taxation	764.32	685.18	345.48	1 449.50	477.49	632.71
IV.Profit after tax	**1 987.76**	**1 708.83**	**1 225.22**	**3 696.59**	**2 438.66**	**5 281.70**
V.Other Information						
Segment Assets						
(a) Treasury Operations	2 22 335.98	2 09 888.43	2 16 865.74	2 22 335.98	2 16 865.74	2 18 813.92
(b) Corporate / Wholesale Banking	2 42 230.45	2 35 949.92	2 19 502.29	2 42 230.45	2 19 502.29	2 32 908.23
(c) Retail Banking	2 65 695.88	2 55 689.45	2 27 065.88	2 65 695.88	2 27 065.88	2 49 089.62
(i) Digital Banking Segment	*3.81*	*1.86*	*NA*	*3.81*	*NA*	*0.93*
(ii) Other Retail Banking Segment	*2 65 692.07*	*2 55 687.59*	*2 27 065.88*	*2 65 692.07*	*2 27 065.88*	*2 49 088.69*
(d) Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
(e) Unallocated Corporate Assets	8 504.41	9 037.49	9 822.15	8 504.41	9 822.15	9 688.96
Total	**7 38 766.72**	**7 10 565.29**	**6 73 256.06**	**7 38 766.72**	**6 73 256.06**	**7 10 500.73**
Segment Liabilities						
(a) Treasury Operations	2 06 788.06	1 95 218.45	2 01 993.25	2 06 788.06	2 01 993.25	2 04 039.68
(b) Corporate / Wholesale Banking	2 25 291.31	2 19 458.39	2 04 448.99	2 25 291.31	2 04 448.99	2 17 182.35
(c) Retail Banking	2 47 115.81	2 37 818.25	2 11 493.88	2 47 115.81	2 11 493.88	2 32 271.18
(i) Digital Banking Segment	*3.96*	*1.92*	*NA*	*3.96*	*NA*	*1.18*
(ii) Other Retail Banking Segment	*2 47 111.85*	*2 37 816.33*	*2 11 493.88*	*2 47 111.85*	*2 11 493.88*	*2 32 270.00*
(d) Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
(e) Unallocated Corporate Liabilities	7 909.70	8 405.82	9 148.55	7 909.70	9 148.55	9 034.77
(f) Capital,Reserves and Surplus	51 661.84	49 664.38	46 171.39	51 661.84	46 171.39	47 972.75
Total	**7 38 766.72**	**7 10 565.29**	**6 73 256.06**	**7 38 766.72**	**6 73 256.06**	**7 10 500.73**
VI.Capital Employed						
(Segment Assets - Segment Liabilities)						
(a) Treasury Operations	15 547.92	14 669.98	14 872.49	15 547.92	14 872.49	14 774.24
(b) Corporate / Wholesale Banking	16 939.14	16 491.53	15 053.30	16 939.14	15 053.30	15 725.88
(c) Retail Banking	18 580.07	17 871.20	15 572.00	18 580.07	15 572.00	16 818.44
(i) Digital Banking Segment	*(0.15)*	*(0.06)*	*NA*	*(0.15)*	*NA*	*(0.25)*
(ii) Other Retail Banking Segment	*18 580.22*	*17 871.26*	*15 572.00*	*18 580.22*	*15 572.00*	*16 818.69*
(d) Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
(e) Unallocated	594.71	631.67	673.60	594.71	673.60	654.19
Total	**51 661.84**	**49 664.38**	**46 171.39**	**51 661.84**	**46 171.39**	**47 972.75**

INDIAN BANK C.O. CHENNAI

SARC & ASSOCIATES FRN 006085N Chartered Accountants

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S. SINGHAL & CO FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

G BALU ASSOCIATES LLP CHENNAI Chartered Accountants

DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

इंडियन बैंक Indian Bank

ALLAHABAD

Reviewed Standalone Segment Wise Results for the Quarter/ Half year ended 30th September 2023

(Rs. in Crores)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2023 (Reviewed)	30.06.2023 (Reviewed)	30.09.2022 (Reviewed)	30.09.2023 (Reviewed)	30.09.2022 (Reviewed)	31.03.2023 (Audited)
Part B - Geographic Segments						
I. Revenue						
(a) Domestic Operations	15 250.02	14 402.66	12 314.55	29 652.68	23 965.44	51 043.58
(b) Foreign Operations	486.21	356.33	223.46	842.54	330.86	1 041.69
Total	**15 736.23**	**14 758.99**	**12 538.01**	**30 495.22**	**24 296.30**	**52 085.27**
II. Assets						
(a) Domestic Operations	7 00 932.73	6 80 487.97	6 45 056.85	7 00 932.73	6 45 056.85	6 78 879.76
(b) Foreign Operations	37 833.99	30 077.32	28 199.21	37 833.99	28 199.21	31 620.97
Total	**7 38 766.72**	**7 10 565.29**	**6 73 256.06**	**7 38 766.72**	**6 73 256.06**	**7 10 500.73**

Notes:1. Segment revenue and expenses have been apportioned on the basis of Segment assets, wherever direct allocation is not possible.

2. Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification.

3. As per RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022 on 'Establishment of Digital Banking Units (DBUs)', for the purpose of disclosure under Accounting Standard 17 – 'Segment reporting', 'Digital Banking' has been identified as a sub-segment under Retail Banking by Reserve Bank of India (RBI). During the quarter ended December 31, 2022, the bank has commenced 3 DBUs. The 'Digital Banking' segment information disclosed pertains to the said DBUs.

Paramita Basu
Asst. General Manager

Neelmani Bhardwaj
Deputy General Manager

Sunil Jain
General Manager - CFO

Shiv Bajrang Singh
Executive Director

Ashutosh Choudhury
Executive Director

Mahesh Kumar Bajaj
Executive Director

Imran Amin Siddiqui
Executive Director

S L Jain
Managing Director & CEO

Place : Chennai
Date : 26.10.2023

INDIAN BANK CHENNAI

SARC & ASSOCIATES FRN 006085N Chartered Accountants

KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

G BALU ASSOCIATES LLP CHENNAI Chartered Accountants

DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

इंडियन बैंक Indian Bank
इलाहाबाद ALLAHABAD

Standalone Statement of Assets and Liabilites

(Rs. in Crores)

Particulars	As on 30.09.2023 (Reviewed)	As on 30.09.2022 (Reviewed)	As on 31.03.2023 (Audited)
LIABILITIES			
Capital	1245.44	1245.44	1245.44
Reserves and Surplus	50416.40	44925.95	46727.31
Deposits	640802.66	588859.99	621165.76
Borrowings	24922.79	22058.23	22073.03
Other Liabilities & Provisions	21379.43	16166.45	19289.19
TOTAL	**738766.72**	**673256.06**	**710500.73**
ASSETS			
Cash & Balances with RBI	29303.74	29119.04	32692.63
Balances with Banks and Money at Call and Short Notice	11468.54	23476.12	17439.95
Investments	201672.63	182168.38	185988.25
Advances	470626.58	412073.54	449296.73
Fixed Assets	7475.16	7532.10	7459.04
Other Assets	18220.07	18886.88	17624.13
TOTAL	**738766.72**	**673256.06**	**710500.73**

Paramita Basu
Asst. General Manager

Neelmani Bhardwaj
Deputy General Manager

Sunil Jain
General Manager - CFO

Shiv Bajrang Singh
Executive Director

Ashutosh Choudhury
Executive Director

Mahesh Kumar Bajaj
Executive Director

Imran Amin Siddiqui
Executive Director

S L Jain
Managing Director & CEO

Place : Chennai
Date : 26.10.2023

INDIAN BANK C.O. Accts. Dept CHENNAI-14

SARC & ASSOCIATES FRN 006085N Chartered Accountants

KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

G BALU ASSOCIATES LLP CHENNAI Chartered Accountants

DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

इंडियन बैंक Indian Bank

Standalone Cash Flow Statement for the Half Year ended 30th September 2023

(Rs. In Crore)

Particulars	Half Year ended	
	30.09.2023	30.09.2022
Net Profit as per Profit and Loss Account	**3696.59**	**2438.66**
Adjustments for :		
Provision for NPA	1847.60	4002.16
Provision for Investment	(257.40)	585.72
Provision for Standard Assets	1402.26	(138.62)
Provision for Tax	1449.50	477.49
Other Provisions and Contingencies	17.74	47.66
Depreciation on Fixed Assets	269.52	268.60
Interest on Capital Instrument	367.94	367.94
Loss/(profit) on sale of land and buildings	0.07	0.69
Dividend income from Subsidiaries and Joint Ventures	(2.63)	(7.88)
Income taxes paid	(200.00)	0.00
Profit before working Capital Changes	**8591.19**	**8042.42**
Increase/Decrease in Operating Assets		
(Increase) / Decrease in Investments	(15426.97)	(8195.51)
(Increase) / Decrease in Advances	(23177.45)	(26889.64)
(Increase) / Decrease in Other assets	(395.95)	1436.76
	(39000.37)	**(33648.39)**
Increase/Decrease in Operating Liabilities		
Increase / (Decrease) in Deposits	19636.91	(4757.82)
Increase/ (Decrease) in Borrowings (other than Capital Instruments)	2849.76	4913.92
Increase/ (Decrease) in Other liabilities	(58.21)	(951.69)
	22428.46	**(795.59)**
Net cash generated from operations (A)	**(7980.72)**	**(26401.56)**
Cash flow from investing activities		
Dividend income from Subsidiaries and Joint Ventures	2.63	7.88
Purchase of fixed assets	(319.15)	(128.18)
Sale of fixed assets	8.02	10.51
Net cash generated from Investing Activities (B)	**(308.50)**	**(109.79)**
Cash flow from Financing activities		
Payment of dividend	(1071.08)	(809.54)
Interest on Capital Instrument	0.00	0.00
Net cash generated from financing activities (C)	**(1071.08)**	**(809.54)**
Net increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)	**(9360.30)**	**(27320.89)**

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इंडियन बैंक Indian Bank

इलाहाबाद ALLAHABAD

Standalone Cash Flow Statement for the Half Year ended 30th September 2023

(Rs. In Crore)

Particulars	Half Year ended 30.09.2023	Half Year ended 30.09.2022
Cash and Cash equivalents at the beginning of the year		
Cash in hand (including foreign currency notes)	1242.48	1962.40
Balances with Reserve Bank of India		
(a) in current accounts	26670.15	22092.01
(b) in other deposit accounts	4780.00	34500.20
Balances with Banks		
(a) in current accounts	18.13	6.18
(b) in other deposit accounts	1573.64	1386.15
Money at Call and short notice with Banks	5007.04	0.00
Balances with Banks outside India		
(a) in current accounts	693.49	503.98
(b) in other deposit accounts	10144.91	19453.09
Money at call and short notice	2.74	12.04
	50132.58	**79916.05**
Cash & Cash equivalents at the end of the period		
Cash in hand (including foreign currency notes)	1403.11	1571.66
Balances with Reserve Bank of India		
(a) in current accounts	27385.63	27547.38
(b) in other deposit accounts	515.00	0.00
Balances with Banks		
(a) in current accounts	22.27	7.76
(b) in other deposit accounts	1573.74	1386.15
Money at Call and short notice with Banks	1557.14	0.00
Balances with Banks outside India		
(a) in current accounts	1213.04	1513.39
(b) in other deposit accounts	7097.23	20495.89
Money at call and short notice	5.12	72.93
	40772.28	**52595.16**
Difference in opening and closing cash and cash equivalents	**(9360.30)**	**(27320.89)**

Notes: 1. Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification

2. The Cash flow statement for the half year ended 30th September 2023 has been prepared by Indirect Method

Paramita Basu **Asst. General Manager**	**Neelmani Bhardwaj** **Deputy General Manager**	**Sunil Jain** **General Manager - CFO**

Shiv Bajrang Singh **Executive Director**	**Ashutosh Choudhury** **Executive Director**	**Mahesh Kumar Bajaj** **Executive Director**	**Imran Amin Siddiqui** **Executive Director**

S L Jain
Managing Director & CEO

Place : Chennai
Date : 26.10.2023

Reviewed Consolidated Financial Results for the Quarter / Half year ended 30th September 2023

(Rs. in Crores)

Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year ended
		30.09.2023 (Reviewed)	30.06.2023 (Reviewed)	30.09.2022 (Reviewed)	30.09.2023 (Reviewed)	30.09.2022 (Reviewed)	31.03.2023 (Audited)
1	**Interest earned (a) +(b) + (c) +(d)**	**13 763.80**	**13 049.94**	**10 727.67**	**26 813.74**	**20 893.53**	**44 985.16**
	(a) Interest/ discount on advances/ bills	10 029.78	9 603.41	7 433.70	19 633.19	14 538.72	31 941.15
	(b) Income on investments	3 367.50	3 086.42	2 913.69	6 453.92	5 693.00	11 690.08
	(c) Interest on balances with Reserve Bank of India and other inter bank funds	325.38	268.21	248.17	593.59	477.46	877.74
	(d) Others	41.14	91.90	132.11	133.04	184.35	476.19
2	**Other Income**	**2 165.61**	**1 871.49**	**1 986.53**	**4 037.10**	**3 718.20**	**7 804.50**
3	**Total Income (1 + 2)**	**15 929.41**	**14 921.43**	**12 714.20**	**30 850.84**	**24 611.73**	**52 789.66**
4	**Interest Expended**	**8 002.62**	**7 345.64**	**6 026.08**	**15 348.26**	**11 645.94**	**24 717.29**
5	**Operating Expenses (a) + (b)**	**3 599.08**	**3 417.70**	**3 037.77**	**7 016.78**	**5 740.13**	**12 724.76**
	(a) Employees cost	2 190.46	2 132.35	1 788.98	4 322.81	3 340.01	7 578.88
	(b) Other Operating expenses	1 408.62	1 285.35	1 248.79	2 693.97	2 400.12	5 145.88
6	**Total Expenditure (4+5) (excluding provisions and contingencies)**	**11 601.70**	**10 763.34**	**9 063.85**	**22 365.04**	**17 386.07**	**37 442.05**
7	**Operating Profit (3-6) (Profit before Provisions and Contingencies)**	**4 327.71**	**4 158.09**	**3 650.35**	**8 485.80**	**7 225.66**	**15 347.61**
8	**Provisions (other than tax) and Contingencies**	**1 550.97**	**1 743.58**	**2 060.12**	**3 294.55**	**4 279.84**	**9 357.66**
	of which provisions for Non-Performing Assets	917.70	929.90	2 000.01	1 847.60	4 002.16	6 516.22
9	Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00
10	**Profit from ordinary activities before tax (7-8-9)**	**2 776.74**	**2 414.51**	**1 590.23**	**5 191.25**	**2 945.82**	**5 989.95**
11	**Provision for Taxes (Tax Expenses / (Reversal))**	**768.62**	**690.12**	**345.52**	**1 458.74**	**484.90**	**659.47**
12	**Net Profit from Ordinary Activities after tax and before Minority Interest (10-11)**	**2 008.12**	**1 724.39**	**1 244.71**	**3 732.51**	**2 460.92**	**5 330.48**
13	Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00	0.00	0.00
14	**Net Profit for the period and before Minority Interest (12-13)**	**2 008.12**	**1 724.39**	**1 244.71**	**3 732.51**	**2 460.92**	**5 330.48**
15	Share of earning in Associates (RRBs)	61.21	125.81	43.33	187.02	137.97	243.04
16	Minority Interest	0.84	0.52	0.65	1.36	0.42	1.21
17	**Net Profit for the period (after Minority Interest) (14+15-16)**	**2 068.49**	**1 849.68**	**1 287.39**	**3 918.17**	**2 598.47**	**5 572.31**
18	Paid-up equity share capital (Face Value of each share - Rs.10/-)	1 245.44	1 245.44	1 245.44	1 245.44	1 245.44	1 245.44
19	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	42 154.48	42 154.48	37 495.47	42 154.48	37 495.47	42 154.48

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DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

Reviewed Consolidated Financial Results for the Quarter / Half year ended 30th September 2023

(Rs. in Crores)

Sl. No.	Particulars	Quarter Ended 30.09.2023 (Reviewed)	Quarter Ended 30.06.2023 (Reviewed)	Quarter Ended 30.09.2022 (Reviewed)	Half Year Ended 30.09.2023 (Reviewed)	Half Year Ended 30.09.2022 (Reviewed)	Year ended 31.03.2023 (Audited)
20	**Analytical Ratios**						
	(i) Percentage of shares held by Government of India	79.86%	79.86%	79.86%	79.86%	79.86%	79.86%
	(ii) Capital Adequacy Ratio (Basel III)	15.85%	16.10%	16.43%	15.85%	16.43%	16.84%
	(a) Common Equity Tier (CET) 1 Ratio	12.40%	12.64%	12.56%	12.40%	12.56%	13.25%
	(b) Additional Tier 1 Ratio	0.56%	0.57%	0.62%	0.56%	0.62%	0.59%
	(iii) Earnings Per Share (Face Value of each share - Rs.10/-)						
	(a) Basic and diluted EPS before Extraordinary items (net of tax expenses) for the period, for the year to date and for the previous year	*16.61	*14.85	*10.34	*31.46	*20.86	44.74
	(b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	*16.61	*14.85	*10.34	*31.46	*20.86	44.74
	(iv) NPA Ratios:						
	(a) Amount of gross non-performing assets	24 487.53	26 226.92	31 958.83	24 487.53	31 958.83	28 179.53
	(b) Amount of net non-performing assets	2 825.85	3 197.55	6 174.13	2 825.85	6 174.13	4 043.07
	(c) % of Gross NPAs	4.97	5.47	7.30	4.97	7.30	5.95
	(d) % of Net NPAs	0.60	0.70	1.50	0.60	1.50	0.90
	(v) Return on Assets (average) (annualised %)	1.14	1.04	0.77	1.08	0.77	0.80

* Not annualised

Note: Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification

Paramita Basu **Asst. General Manager**	**Neelmani Bhardwaj** **Deputy General Manager**	**Sunil Jain** **General Manager - CFO**

Shiv Bajrang Singh **Executive Director**	**Ashutosh Choudhury** **Executive Director**	**Mahesh Kumar Bajaj** **Executive Director**	**Imran Amin Siddiqui** **Executive Director**

S L Jain
Managing Director & CEO

Place : Chennai
Date : 26.10.2023

INDIAN BANK CHENNAI

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DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

Indian Bank

Reviewed Consolidated Segment Wise Results for the Quarter/Half year ended 30th September 2023

(Rs. in Crores)

Particulars	Quarter Ended			Half Year Ended		Year ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
Part A. Business Segments						
I. Segment Revenue						
(a) Treasury Operations	3 862.64	3 923.10	3 603.20	7 785.74	6 838.63	13 781.49
(b) Corporate / Wholesale Banking	5 554.31	5 118.26	4 266.22	10 672.57	8 454.81	18 223.54
(c) Retail Banking	6 160.79	5 557.40	4 538.20	11 718.19	8 759.43	19 474.98
(i) Digital Banking Segment	*0.01*	*0.00*	*NA*	*0.01*	*NA*	*0.00*
(ii) Other Retail Banking Segment	*6 160.78*	*5 557.40*	*4 538.20*	*11 718.18*	*8 759.43*	*19 474.98*
(d) Other Banking operations	351.67	322.67	306.58	674.34	558.86	1 309.65
Total	**15 929.41**	**14 921.43**	**12 714.20**	**30 850.84**	**24 611.73**	**52 789.66**
Less : Inter segment Revenue	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
Income from operations	**15 929.41**	**14 921.43**	**12 714.20**	**30 850.84**	**24 611.73**	**52 789.66**
II. Segment Results- Profit before tax						
(a) Treasury Operations	1 426.84	1 645.17	1 541.69	3 072.01	2 961.43	5 673.24
(b) Corporate / Wholesale Banking	1 320.04	1 151.61	974.04	2 471.65	2 012.42	4 468.80
(c) Retail Banking	1 443.53	1 221.00	1 025.88	2 664.53	2 062.98	4 702.20
(i) Digital Banking Segment	*(0.09)*	*(0.06)*	*NA*	*(0.15)*	*NA*	*(0.25)*
(ii) Other Retail Banking Segment	*1 443.62*	*1 221.06*	*1 025.88*	*2 664.68*	*2 062.98*	*4 702.45*
(d) Other Banking Operations	137.30	140.31	108.74	277.61	188.83	503.37
Total	**4 327.71**	**4 158.09**	**3 650.35**	**8 485.80**	**7 225.66**	**15 347.61**
Add: (i) Other Un-allocable Income	61.21	125.81	43.33	187.02	137.97	243.04
(ii) Exceptional item	0.00	0.00	0.00	0.00	0.00	0.00
Less:(i) Minority Interest	0.84	0.52	0.65	1.36	0.42	1.21
(ii) Other Un-allocated Expenditure (includes Provision & contingencies)	1 550.97	1 743.58	2 060.12	3 294.55	4 279.84	9 357.66
III.Total Profit Before Tax	**2 837.11**	**2 539.80**	**1 632.91**	**5 376.91**	**3 083.37**	**6 231.78**
Less : Provisions for taxation	768.62	690.12	345.52	1 458.74	484.90	659.47
IV.Profit after tax	**2 068.49**	**1 849.68**	**1 287.39**	**3 918.17**	**2 598.47**	**5 572.31**
V.Other Information						
Segment Assets						
(a) Treasury Operations	2 22 335.98	2 09 888.43	2 16 865.74	2 22 335.98	2 16 865.74	2 18 813.92
(b) Corporate / Wholesale Banking	2 42 230.45	2 35 949.92	2 19 502.29	2 42 230.45	2 19 502.29	2 32 908.23
(c) Retail Banking	2 65 695.88	2 55 689.45	2 27 065.88	2 65 695.88	2 27 065.88	2 49 089.62
(i) Digital Banking Segment	*3.81*	*1.86*	*NA*	*3.81*	*NA*	*0.93*
(ii) Other Retail Banking Segment	*2 65 692.07*	*2 55 687.59*	*2 27 065.88*	*2 65 692.07*	*2 27 065.88*	*2 49 088.69*
(d) Other Banking Operations	2 921.48	2 846.94	2 488.51	2 921.48	2 488.51	2 796.14
(e) Unallocated Corporate Assets	8 543.02	9 074.04	9 868.97	8 543.02	9 868.97	9 726.09
Total	**7 41 726.81**	**7 13 448.78**	**6 75 791.39**	**7 41 726.81**	**6 75 791.39**	**7 13 334.00**
Segment Liabilities						
(a) Treasury Operations	2 06 788.06	1 95 218.45	2 01 993.25	2 06 788.06	2 01 993.25	2 04 039.68
(b) Corporate / Wholesale Banking	2 25 291.31	2 19 458.39	2 04 448.99	2 25 291.31	2 04 448.99	2 17 182.35
(c) Retail Banking	2 47 115.81	2 37 818.25	2 11 493.88	2 47 115.81	2 11 493.88	2 32 271.18
(i) Digital Banking Segment	*3.96*	*1.92*	*NA*	*3.96*	*NA*	*1.18*
(ii) Other Retail Banking Segment	*2 47 111.85*	*2 37 816.33*	*2 11 493.88*	*2 47 111.85*	*2 11 493.88*	*2 32 270.00*
(d) Other Banking Operations	1 234.88	1 211.51	1 132.07	1 234.88	1 132.07	1 299.20
(e) Unallocated Corporate Liabilities	7 909.70	8 405.82	9 148.55	7 909.70	9 148.55	9 034.77
(f) Capital,Reserves and Surplus	53 387.05	51 336.36	47 574.65	53 387.05	47 574.65	49 506.82
Total	**7 41 726.81**	**7 13 448.78**	**6 75 791.39**	**7 41 726.81**	**6 75 791.39**	**7 13 334.00**
VI.Capital Employed						
(Segment Assets - Segment Liabilities)						
(a) Treasury Operations	15 547.92	14 669.98	14 872.49	15 547.92	14 872.49	14 774.24
(b) Corporate / Wholesale Banking	16 939.14	16 491.53	15 053.30	16 939.14	15 053.30	15 725.88
(c) Retail Banking	18 580.07	17 871.20	15 572.00	18 580.07	15 572.00	16 818.44
(i) Digital Banking Segment	*(0.15)*	*(0.06)*	*NA*	*(0.15)*	*NA*	*(0.25)*
(ii) Other Retail Banking Segment	*18 580.22*	*17 871.26*	*15 572.00*	*18 580.22*	*15 572.00*	*16 818.69*
(d) Other Banking Operations	1 686.60	1 635.43	1 356.44	1 686.60	1 356.44	1 496.94
(e) Unallocated	633.32	668.22	720.42	633.32	720.42	691.32
Total	**53 387.05**	**51 336.36**	**47 574.65**	**53 387.05**	**47 574.65**	**49 506.82**

Indian Bank

ALLAHABAD

Reviewed Consolidated Segment Wise Results for the Quarter/Half year ended 30th September 2023

(Rs. in Crores)

Particulars	Quarter Ended			Half Year Ended		Year ended
	30.09.2023 (Reviewed)	30.06.2023 (Reviewed)	30.09.2022 (Reviewed)	30.09.2023 (Reviewed)	30.09.2022 (Reviewed)	31.03.2023 (Audited)
Part B - Geographic Segments						
I. Revenue						
(a) Domestic Operations	15 443.20	14 565.10	12 490.74	30 008.30	24 280.87	51 747.97
(b) Foreign Operations	486.21	356.33	223.46	842.54	330.86	1 041.69
Total	**15 929.41**	**14 921.43**	**12 714.20**	**30 850.84**	**24 611.73**	**52 789.66**
II. Assets						
(a) Domestic Operations	7 03 892.82	6 83 371.46	6 47 592.18	7 03 892.82	6 47 592.18	6 81 713.03
(b) Foreign Operations	37 833.99	30 077.32	28 199.21	37 833.99	28 199.21	31 620.97
Total	**7 41 726.81**	**7 13 448.78**	**6 75 791.39**	**7 41 726.81**	**6 75 791.39**	**7 13 334.00**

Notes: 1. Segment revenue and expenses have been apportioned on the basis of Segment assets, wherever direct allocation is not possible.

2. Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification.

3. As per RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022 on 'Establishment of Digital Banking Units (DBUs)', for the purpose of disclosure under Accounting Standard 17 – 'Segment reporting', 'Digital Banking' has been identified as a sub-segment under Retail Banking by Reserve Bank of India (RBI). During the quarter ended December 31, 2022, the bank has commenced 3 DBUs. The 'Digital Banking' segment information disclosed pertains to the said DBUs.

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Deputy General Manager

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Executive Director

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Executive Director

S L Jain
Managing Director & CEO

Place : Chennai
Date : 26.10.2023

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इंडियन बैंक Indian Bank
इलाहाबाद ALLAHABAD

Consolidated Statement of Assets and Liabilities

(Rs. in Crores)

Particulars	As on 30.09.2023 (Reviewed)	As on 30.09.2022 (Reviewed)	As on 31.03.2023 (Audited)
LIABILITIES			
Capital	1245.44	1245.44	1245.44
Reserves and Surplus	52141.61	46329.20	48261.38
Minority Interest	27.55	25.40	26.19
Deposits	640758.74	588814.03	621123.23
Borrowings	24939.12	22069.97	22092.42
Other Liabilities & Provisions	22614.35	17307.35	20585.34
TOTAL	**741726.81**	**675791.39**	**713334.00**
ASSETS			
Cash & Balances with RBI	29303.76	29119.09	32692.73
Balances with Banks and Money at Call and Short Notice	11540.91	23518.94	17524.10
Investments	204113.99	184262.36	188366.28
Advances	470626.58	412064.31	449293.95
Fixed Assets	7498.98	7550.81	7480.67
Other Assets	18642.59	19275.88	17976.27
TOTAL	**741726.81**	**675791.39**	**713334.00**

Paramita Basu
Asst. General Manager

Neelmani Bhardwaj
Deputy General Manager

Sunil Jain
General Manager - CFO

Shiv Bajrang Singh
Executive Director

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Executive Director

Mahesh Kumar Bajaj
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Executive Director

S L Jain
Managing Director & CEO

Place : Chennai
Date : 26.10.2023

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इंडियन बैंक Indian Bank

इलाहाबाद ALLAHABAD

Consolidated Cash Flow statement for the Half Year ended 30th September 2023

(Rs in Crores)

Particulars	Half Year Ended	
	30.09.2023	30.09.2022
Net Profit as per Profit and Loss Account before minority Interest	**3919.53**	**2598.89**
Adjustments for :		
Provision for NPA	1847.60	4002.16
Provision for Investment	(254.21)	587.24
Provision for Standard Assets	1402.26	(138.62)
Provision for Tax	1458.74	484.90
Other Provisions and Contingencies	17.81	48.50
Depreciation on Fixed Assets	272.32	270.01
Interest on Capital Instrument	367.94	367.94
Loss/(profit) on sale of land and buildings	0.08	0.69
Income taxes paid	(205.99)	(5.45)
Profit before working Capital Changes	**8826.08**	**8216.26**
(Increase)/Decrease in Operating Assets		
(Increase) / Decrease in Investments	(15524.08)	(8347.98)
(Increase) / Decrease in Advances	(23180.23)	(26880.41)
(Increase) / Decrease in Other Assets	(460.33)	1471.19
	(39164.64)	**(33757.20)**
Increase/(Decrease) in Operating Liabilities		
Increase/(Decrease) in Deposits	19635.51	(4756.83)
Increase/(Decrease) in Borrowings (other than Capital Instruments)	2846.70	4917.12
Increase/(Decrease) in Other liabilities	(128.59)	(1017.39)
	22353.62	**(857.10)**
Net cash generated from Operations (A)	**(7984.94)**	**(26398.04)**
Cash flow from Investing activities		
Purchase of fixed assets	(324.14)	(133.21)
Sale of fixed assets	8.00	10.61
Net cash generated from Investing Activities (B)	**(316.14)**	**(122.60)**
Cash flow from Financing activities		
Payment of dividend	(1071.08)	(809.54)
Interest on Capital Instrument	0.00	0.00
Net cash generated from financing activities (C)	**(1071.08)**	**(809.54)**
Net increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)	**(9372.16)**	**(27330.18)**

INDIAN BANK CHENNAI

SARC & ASSOCIATES FRN 006085N Chartered Accountants

KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

G BALU ASSOCIATES LLP CHENNAI Chartered Accountants

DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

इंडियन बैंक Indian Bank

इलाहाबाद ALLAHABAD

Consolidated Cash Flow statement for the Half Year ended 30th September 2023

(Rs in Crores)

Particulars	Half Year Ended	
	30.09.2023	30.09.2022
Cash and cash equivalents at the beginning of the period		
Cash in hand (including foreign currency notes)	1242.58	1962.45
Balances with Reserve Bank of India		
(a) in current accounts	26670.15	22092.01
(b) in other deposit accounts	4780.00	34500.20
Balances with Banks		
(a) in current accounts	70.37	30.64
(b) in other deposit accounts	1605.55	1413.81
Money at Call and short notice with Banks	5007.04	0.00
Balances with Banks outside India		
(a) in current accounts	693.49	503.98
(b) in other deposit accounts	10144.91	19453.09
Money at call and short notice	2.74	12.04
	50216.83	**79968.22**
Cash & Cash equivalents at the end of the period		
Cash in hand (including foreign currency notes)	1403.13	1571.71
Balances with Reserve Bank of India		
(a) in current accounts	27385.63	27547.38
(b) in other deposit accounts	515.00	0.00
Balances with Banks		
(a) in current accounts	61.39	18.36
(b) in other deposit accounts	1606.99	1418.38
Money at Call and short notice with Banks	1557.14	0.00
Balances with Banks outside India		
(a) in current accounts	1213.04	1513.39
(b) in other deposit accounts	7097.23	20495.89
Money at call and short notice	5.12	72.93
	40844.67	**52638.04**
Difference in opening and closing cash and cash equivalents	**(9372.16)**	**(27330.18)**

Notes: 1. Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification

2. The Cash flow statement for the half year ended 30th September 2023 has been prepared by Indirect Method

Paramita Basu	**Neelmani Bhardwaj**	**Sunil Jain**
Asst. General Manager	**Deputy General Manager**	**General Manager - CFO**

Shiv Bajrang Singh	**Ashutosh Choudhury**	**Mahesh Kumar Bajaj**	**Imran Amin Siddiqui**
Executive Director	**Executive Director**	**Executive Director**	**Executive Director**

S L Jain
Managing Director & CEO

Place : Chennai
Date : 26.10.2023

INDIAN BANK C.O. Accts. Dept CHENNAI-14

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इंडियन बैंक Indian Bank

इलाहाबाद ALLAHABAD

Corporate Office, Chennai

Notes forming part of Standalone and Consolidated Reviewed Financial Results for the Quarter / Half year ended September 30, 2023

1. The above financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors in their respective meetings held on 26.10.2023. The results have been subjected to Limited Review by the Statutory Central Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India and as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

2. The above financial results have been arrived at after considering provision for non-performing assets, loan losses, restructured assets, standard assets, stressed sector accounts, income tax, deferred tax, depreciation on investments and fixed assets, standard derivative exposure, unhedged foreign currency exposure, employees' benefits, Investment Fluctuation Reserve, other necessary provisions on the basis of prudential norms and directions issued by Reserve bank of India, and in case of the subsidiary Ind Bank Housing Limited, as per the Income Recognition, and Provisions on Loans and Advances norms laid down by National Housing Bank (NHB) and applicable Accounting Standards issued by the Institute of Chartered Accountants of India. Provision for employee benefits pertaining to Pension, Gratuity and Leave Encashment has been made on the basis of actuarial valuation.

3. The Bank has applied its significant accounting policies in the preparation of these financial results that are consistent with those followed in the annual financial statements for the year ended March 31, 2023. In terms of Board approved policy, the income from sale of priority sector lending certificates (PSLC) is to be recognized over the remaining period of PSLC with effect from FY 2023-24. This has resulted in decrease of Rs. 335.66 Crore in other income and net profit for Half Year ended September 2023. The above financial results have been drawn in accordance with Accounting Standard 25 - 'Interim Financial Reporting'.

4. The consolidated financial results are prepared in accordance with Accounting Standard 21 – 'Consolidated Financial Statements', Accounting Standard 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures' issued by The Institute of Chartered Accountants of India and guidelines issued by RBI.

5. The details of Subsidiaries, Associates and Joint Ventures of the Bank along with the percentage of shares held are:
   - **Subsidiaries:** Indbank Merchant Banking Services Ltd (64.84%) and Ind Bank Housing Ltd (51%),
   - **Associates:** Tamil Nadu Grama Bank (35%), Saptagiri Grameena Bank (35%), Puduvai Bharathiar Grama Bank (35%) and
   - **Joint ventures:** Universal Sompo General Insurance Company Ltd (28.52%) and ASREC (India) Ltd (38.26%).

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6. In accordance with provision under SEBI (LODR) Regulations, 2015 (as amended), for the purpose of consolidated financial results of the quarter / half year ended September 30, 2023, minimum eighty percent of each of consolidated revenue, assets and profits have been subjected to review.

7. Other income includes profit/ loss on sale of assets (net), profit/ loss on sale of investments (net), profit/ loss on revaluation of investments (MTM) (net), earnings from foreign exchange and derivative transactions, income from sale of PSLC certificates, recoveries from accounts previously written off, dividend income etc.

8. In accordance with RBI Master Circular DOR.CAP.REC.15/21.06.201/2023-24 dated May 12, 2023 on 'Basel III Capital Regulations' and RBI Circular DBR.No.BP.BC.80 /21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards - Amendments', the banks are required to make Pillar 3 disclosures including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III capital requirements. The disclosures are available on the Bank's website www.indianbank.in. These disclosures have not been subjected to Limited Review by Statutory Central Auditors.

9. Based on the available financial statements and the declaration from borrowers, the Bank has estimated the liability towards Unhedged Foreign Currency Exposure to their constituents in terms of RBI circular DOR.MRG.REC.76/00-00-007/2022-23 dated October 11, 2022 on 'Reserve Bank of India (Unhedged Foreign Currency Exposure) Directions, 2022', and the bank holds a provision of Rs. 15.10 Crores as on 30.09.2023. During the quarter ended September 30, 2023, incremental provision is not required.

10. Pending settlement of the Bipartite agreement on wage revision (due from November 01, 2022), an ad hoc amount of Rs. 271 Crores has been provided during the quarter ended September 30, 2023 towards wage revision. (Cumulative provision held as of September 30, 2023 for wage arrears is Rs. 689 Crore.)

11. Non-Performing Assets Provision Coverage ratio is 95.64% as on 30.09.2023. (95.10 % as on 30.06.2023).

12. In accordance with the RBI Circular DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01,2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020, DOR.No. BP.BC/4/21.04.048/2020-21 dated August 06, 2020 and DOR.STR.REC.12/21.04.048/2021-22 dated May 05, 2021 on 'Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances' the details of MSME restructured accounts under the Scheme are as under:

No. of Accounts Restructured	Outstanding as on 30.09.2023 (Rs. in Crores)
64801	3788.13

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13. In accordance with the RBI Circular DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 on 'Resolution Framework 2.0: Resolution of COVID – 19 related stress of Individuals and Small Business', the number of borrower accounts where modifications were sanctioned and implemented and the aggregate exposure to such borrowers are as under:

No. of Accounts Restructured	Aggregate exposure as on 30.09.2023 (Rs. in Crores)
399	65.18

14. As per RBI Circulars DBR.No. BP.15199/21.04.048/2016-17 dated June 23, 2017 and DBR No BP.1949/21.04.048/2017-18 dated August 28,2017, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Bank is holding total provision of Rs. 4241.82 Crores (100% of total outstanding amount less contingency fund) as on 30.09.2023.

15. Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circulars dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) as at 30.09.2023 are as under:

(Rs. In Crores)

S.No.	Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (March 31, 2023) (A)	Of (A), aggregate debt that slipped into NPA during the half-year (September 30, 2023)	Of (A) amount written off during the half-year (September 30, 2023)	Of (A) amount paid by the borrowers during the half-year (September 30, 2023)**	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year (September 30, 2023)
1	Personal Loans	6064	235	0	344	5485
2	Corporate Persons*	2603	285	0	144	2174
	Of which, MSMEs	*1647*	*255*	*0*	*87*	*1305*
3	Others	2610	36	0	253	2321
	Total (1+2+3)	**11277**	**556**	**0**	**741**	**9980**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

** Represents net of additional funding, upgradation of accounts and repayment.

16. In accordance with RBI Circular DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 on 'Master Direction – Reserve Bank of India (Transfer of loan exposures) Directions, 2021', the details of loans transferred/ acquired during half year ended September 30, 2023 are given below:

(a) Details of Loans not in default acquired:

Mode of Acquisition: Direct Assignment

Particulars	AGRICULTURE	RETAIL	MSME
Aggregate Principal outstanding of loans acquired (Rs. in Crores)	149.99	1613.23	989.00
Weighted Average Residual Maturity (in years)	1.75	3.45	2.74
Weighted Average Holding Period by originator (in years)	0.25	0.28	0.43
Retention of beneficial economic interest by the originator (%)	10%	10%	10%
Tangible Security Coverage (%)	NIL	136.23%	9%
Rating Wise Distribution of loans acquired by value (Rs. in Crores)	AA-	AAA: 127.56 AA: Rs 1485.67	AAA:298.00 AA- : 640.00 A- : 51.00

Mode of Acquisition: Co-Lending

Particulars	AGRICULTURE	RETAIL	MSME
Aggregate Principal outstanding of loans acquired (Rs. in Crores)	0.60	156.00	NIL
Weighted Average Residual Maturity (in years)	5	10.79	
Weighted Average Holding Period by originator (in years)	NA	NA	
Retention of beneficial economic interest by the originator (%)	20%	20%	
Tangible Security Coverage (%)	125%	Nil	
Rating Wise Distribution of loans acquired by value (Rs. in Crores)	A+	AA: 59.68 A:96.32	

(b) Loans not in default transferred: NIL

(c) Details of stressed loan transferred or acquired:

(i) Transferred (NPA) during the period of 01.04.2023 to 30.09.2023:

(Rs. in Crore except number of accounts)

Particulars	To ARCs	To permitted transferees	To other transferees
No. of Accounts	8	1	NIL
Aggregate principal outstanding loans transferred (Rs. in Crores)	303.78	28.13	

INDIAN BANK C.O. Accts. Dept. CHENNAI-14

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Particulars	To ARCs	To permitted transferees	To other transferees
Weighted average residual tenor of the loans transferred	0	0	
Net book value of loans transferred (at the time of transfer)	0	0	
Aggregate Consideration (Rs. in Crores)	180.97	11.00	
Additional consideration realized in respect of accounts transferred in earlier years	0	0	

The Bank has reversed the amount of Rs. 132.40 Crores of excess provision to the profit and loss account on account of sale of stressed loans.

(ii) The bank has not transferred any Stressed loans (SMA) during the half year ended 30.09.2023

(iii) The bank has not acquired any Stressed loans (NPA & SMA) during the half year ended 30.09.2023.

(d) The distribution of Security Receipts (SRs) held by the Bank across the various categories of Recovery Ratings assigned to such SRs by the Credit Rating Agencies as on 30.09.2023 is given as under:

(Rs. in Crores)

Recovery Rating	Book Value
RR 1+ (Above 150%)	0.0
RR 1 (Above 100% up to 150%)	43.51
RR 2 (Above 75% up to 100%)	117.66
RR 3 (Above 50% up to 75%)	63.79
RR 4 (Above 25% up to 50%)	0.00
RR 5 (Up to 25%)	89.40
SRs with unrated (0%)	617.41
TOTAL	**931.77***

* The bank is holding 100 % provision

17. Impact of RBI Circular DBR.No.BP.BC.45/21.04.048/2018-19 dated June 07, 2019 on 'Prudential Framework for resolution of stressed assets' is as follows: -

(Rs. in Crores)

Amount of loans impacted by RBI circular (a)	Amount of loans to be classified as NPA (b)	Amount of loans as on 30.09.2023, out of (b) classified as NPA (c)	Addl. provision required for loans covered under RBI circular (d)	Provision out of (d) already made by 30.09.2023 (e)
14265.02	13592.51	13592.51	981.67	981.67*

* including provision of Rs. 521.57 Crores on Non Fund outstanding of the NPA accounts as on 30.09.2023.

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18. During the quarter ended September 30,2023, the Bank has made incremental provision of Rs. 499.81 Crore (net) on standard assets over and above the minimum regulatory requirement.

19. The current tax expenses and deferred tax expenses are determined in accordance with the provisions of the Income Tax Act, 1961 and as per the Accounting Standard 22 – 'Accounting for Taxes on Income' and Accounting Standard 25 – 'Interim Financial Reporting'.

20. The number of investors' complaints received and disposed off during the period 01.07.2023 to 30.09.2023:

Beginning : 1	Received : 78	Resolved : 79	Closing : 0

21. Figures for the corresponding previous periods have been regrouped/ reclassified wherever considered necessary. The figures for the quarter ended September 30, 2023 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2023 and the published year to date figures up to June 30, 2023.

Paramita Basu
Assistant General Manager

Neelmani Bhardwaj
Deputy General Manager

Sunil Jain
General Manager - CFO

Shiv Bajrang Singh
Executive Director

Ashutosh Choudhury
Executive Director

Mahesh Kumar Bajaj
Executive Director

Imran Amin Siddiqui
Executive Director

S L Jain
Managing Director & CEO

Place: Chennai
Date: 26.10.2023

S A R C & Associates
Chartered Accountants

Kailash Chand Jain & Co.
Chartered Accountants

S Singhal & Co.
Chartered Accountants

G Balu Associates LLP
Chartered Accountants

Dass Gupta & Associates
Chartered Accountants

Independent Auditors' Limited Review Report on Unaudited Standalone Financial Results of Indian Bank for the Quarter and Half Year ended September 30, 2023 pursuant to the Regulation 33 & Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Indian Bank
Chennai

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Indian Bank ("the Bank") for the quarterandhalf year ended September 30, 2023 ("the Statement") attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulations") except for the disclosures relating to Pillar 3 disclosure as at September 30, 2023 including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us.

2. The Statement, which is the responsibility of the Bank's Management and approved by the Bank's Board of Directors, has been prepared by the Bank's Management in accordance with the recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting' (AS 25) issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulations Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('RBI') from time to time ('RBI Guidelines') and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A

SARC & ASSOCIATES FRN 006085N Chartered Accountants
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DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

Review is limited primarily to inquiries of Bank's personnel and analytical and other review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. These unaudited standalone financial results incorporate the returns of top 20 domestic branches, 1 treasury branch, 1 credit card division and other central office departments reviewed by us, 3 foreign branches reviewed by overseas audit firms specifically appointed for this purpose.We have relied upon the returns of 585 branches reviewed by the external concurrent auditors (including Gift City) and 1175 branches branches reviewed by inspection team of the bank.

   The above review reports cover, in total, 82.39% per cent of the advance portfolio of the bank and 57.96% of its non-performing assets.

   Apart from these review reports, we have also relied upon unreviewed returns of 4477 domestic branches that were generated through centralized data base of the bank and the Bank's central office.

5. Based on our review conducted as above, subject to limitation in scope as mentioned in para 4 above and read with notes to the Financial Results, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

6. The Standalone Financial statements of the Bank for the previous year ended March 31, 2023 were audited by the joint auditors two of which are predecessor audit firm and have expressed unmodified opinion on such Financial statements vide their report dated May 08, 2023. The Unaudited Standalone Financial results of the Bank as per Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, for the quarter and half year ended September 30,

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2022 and for the quarter ended June 30, 2023, were reviewed by the joint auditors, four and two of whom were predecessor audit firms and have expressed their unmodified conclusions on such results vide report dated November 03, 2022 and July 27, 2023 respectively.

For S A R C & ASSOCIATES
Chartered Accountants
FR No. 006085N

CHETAN THAKKAR
Partner
(M. No.114196)
UDIN:23114196BGUMGH4032

For KAILASH CHAND JAIN & CO
Chartered Accountants
FR No. 112318W

SANDEEP K JAIN
Partner
(M. No.110713)
UDIN:23110713BGYQHF5910

For S SINGHAL & CO
Chartered Accountants
FR No. 001526C

NATWAR SARDA
Partner
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For G BALU ASSOCIATES LLP
Chartered Accountants
FR No.000376S/S200073

R.RAVISHANKAR
Partner
(M. No.026819)
UDIN:23026819BGXASK2633

For DASS GUPTA & ASSOCIATES
Chartered Accountants
FR No.000112N

PANKAJ MANGAL
Partner
(M. No. 097890)
UDIN: 23097890BGZGYA3382

Place: Chennai
Date: October 26, 2023

S A R C & Associates
Chartered Accountants

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S Singhal & Co.
Chartered Accountants

G Balu Associates LLP
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Chartered Accountants

Independent Auditors' Limited Review Report on Unaudited Consolidated Financial Results of Indian Bank for the Quarter and Half Year ended September 30, 2023 pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Indian Bank
Chennai

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Indian Bank (the Parent) and its Subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its jointly controlled entities and its share of the net profit after tax of its Associates for the quarter and half year ended September 30, 2023 ("the Statement"), being prepared and submitted by the Parent pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except for the disclosures relating to Pillar 3 disclosure as at September 30, 2023, including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), issued by Institute of Chartered Accountants of India , the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our Review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A Review is limited primarily to inquiries of Bank's personnel and analytical and other review procedures applied to financial

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Kailashchand Jain & Co. Chartered Accountants Mumbai

S. Singhal & Co. Chartered Accountants FRN 001526C Jaipur

G Balu Associates LLP Chartered Accountants Chennai

Dass Gupta & Associates Chartered Accountants New Delhi

data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

   Parent:
   1. Indian Bank

   Subsidiaries:
   1. Indbank Merchant Banking Services Ltd
   2. Ind Bank Housing Ltd

   Associates:
   1. Tamil Nadu Grama Bank
   2. Saptagiri Grameena Bank
   3. Puduvai Bharathiar Grama Bank

   Joint Ventures:
   1. ASREC (India) Ltd
   2. Universal Sompo General Insurance Company Ltd

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the quarterly review reports of inspection teams and reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, except for the disclosures relating to Pillar 3 disclosure as at September 30, 2023, including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations, as have been disclosed on the bank's website, and in respect of which a link has been provided in the Statement and have not been reviewed by us, or that it contains any material misstatement.

SARC & ASSOCIATES FRN 006085N Chartered Accountants | KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants | S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS | G BALU ASSOCIATES LLP CHENNAI Chartered Accountants | DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

6. We did not review the interim financial results of 1763 branches (including foreign branches) included in the standalone unaudited financial results, whose interim financial results reflect total advances of Rs. 2,30,555.73 crores as at September 30, 2023 and total revenue of Rs. 9,842.51 crores for the half year ended September 30, 2023, as considered in the standalone unaudited financial results of the branches included in the group. The interim financial results of these branches have been reviewed by the concurrent auditors/ inspection team and other auditors whose reports have been furnished to us or other auditors, and our conclusion is in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the reports of such concurrent auditors/ inspection team and other auditors and the procedures performed by us as stated in paragraph 3 above.

   We did not review the interim financial results of the two subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 79.37 crores as at September 30, 2023, total revenue ofRs. 9.83 crores and net profit after tax of Rs. 0.68 crores for the half year ended September 30, 2023, as considered in the consolidated unaudited financial results.

   The consolidated unaudited financial results include the Group's share of net profit after tax of Rs. 187.02 crores for the half year ended September 30, 2023 in respect of 3 associates, whose interim financial result has not been reviewed by us.

   The above interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management of Parent and our conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

   Our Conclusion on the Statement is not modified in respect of the above matter.

7. The consolidated unaudited interim financial results also include the results of 4477 branches included in the standalone unaudited interim financial results of the Parent included in the Group, which have not been reviewed, whose results reflect total advances of Rs. 86,550.17 crores as at September 30, 2023 and total revenues of Rs. 3,567.62 crores for the half year ended September 30, 2023.

   The consolidated unaudited financial results also include the interim financial results of two Joint Ventures which have not been reviewed, whose interim financial results reflect total assets of Rs. 1685.94 crores as at September 30, 2023, total revenues of Rs. 351.45 crores and net profit after tax of Rs. 37.67 crores for the half year ended September 30, 2023 as considered in the consolidated unaudited financial results, based on their interim financial results which have not been reviewed by their auditors.

SARC & ASSOCIATES FRN 006085N Chartered Accountants
KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants
S. SINGHAL & CO. FRN 001526C KANPUR CHARTERED ACCOUNTANTS
G BALU ASSOCIATES LLP CHENNAI Chartered Accountants
DASS GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our Conclusion on the Statement is not modified in respect of the above matter.

8. The Consolidated Financial statements of the Bank for the previous year ended March 31, 2023 were audited by the joint auditors two of which are predecessor audit firm and have expressed unmodified opinion on such Financial statements vide their report dated May 08, 2023. The Unaudited Consolidated Financial results of the Bank as per Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, for the quarter and half year ended September 30, 2022 and for the quarter ended June 30, 2023, were reviewed by the joint auditors, four and two of whom were predecessor audit firms and have expressed their unmodified conclusions on such results vide report dated November 03, 2022 and July 27, 2023 respectively.

For S A R C & ASSOCIATES
Chartered Accountants
FR No. 006085N

CHETAN THAKKAR
Partner
(M. No.114196)
UDIN:23114196BGUMGI2927

For KAILASH CHAND JAIN & CO
Chartered Accountants
FR No. 112318W

SANDEEP K JAIN
Partner
(M. No. 110713)
UDIN:23110713BGYQHG7524

For S SINGHAL & CO
Chartered Accountants
FR No. 001526C

NATWAR SARDA
Partner
(M. No. 076070)
UDIN: 23076070BGWCBQ4039

For G BALU ASSOCIATES LLP
Chartered Accountants
FR No. 000376S/S200073

R. RAVISHANKAR
Partner
(M. No. 026819)
UDIN:23026819BGXASL3296

For DASS GUPTA & ASSOCIATES
Chartered Accountants
FR No. 000112N

PANKAJ MANGAL
Partner
(M. No. 097890)
UDIN: 23097890BGZGYB2627

Place: Chennai
Date: October 26, 2023

Reviewed Standalone Financial Results for the Quarter / Half year ended 30th September 2022

(Rs. in Crores)

Sl. No.	Particulars	Quarter ended			Half Year Ended		Year ended
		30.09.2022 (Reviewed)	30.06.2022 (Reviewed)	30.09.2021 (Reviewed)	30.09.2022 (Reviewed)	30.09.2021 (Reviewed)	31.03.2022 (Audited)
1	**Interest earned (a)+(b)+(c)+(d)**	**10 709.90**	**10 153.66**	**9 474.51**	**20 863.56**	**19 098.10**	**38 856.22**
	(a) Interest/ discount on advances/ bills	7 433.67	7 105.05	6 655.80	14 538.72	13 405.23	26 927.56
	(b) Income on investments	2 895.95	2 767.14	2 644.13	5 663.09	5 415.92	10 964.82
	(c) Interest on balances with Reserve Bank of India and other inter bank funds	248.07	229.29	149.82	477.36	223.39	851.34
	(d) Others	132.21	52.18	24.76	184.39	53.56	112.50
2	**Other Income**	**1 828.11**	**1 604.63**	**1 965.91**	**3 432.74**	**3 786.59**	**6 915.45**
3	**Total Income (1 + 2)**	**12 538.01**	**11 758.29**	**11 440.42**	**24 296.30**	**22 884.69**	**45 771.67**
4	**Interest Expended**	**6 025.93**	**5 619.68**	**5 391.02**	**11 645.61**	**11 020.45**	**22 128.27**
5	**Operating Expenses (a) + (b)**	**2 882.83**	**2 574.23**	**2 773.90**	**5 457.06**	**5 172.89**	**10 926.50**
	(a) Employees cost	1 776.59	1 539.29	1 712.96	3 315.88	3 179.01	6 695.71
	(b) Other Operating expenses	1 106.24	1 034.94	1 060.94	2 141.18	1 993.88	4 230.79
6	**Total Expenditure (4+5) (excluding provisions and contingencies)**	**8 908.76**	**8 193.91**	**8 164.92**	**17 102.67**	**16 193.34**	**33 054.77**
7	**Operating Profit (3-6) (Profit before Provisions and Contingencies)**	**3 629.25**	**3 564.38**	**3 275.50**	**7 193.63**	**6 691.35**	**12 716.90**
8	**Provisions (other than tax) and Contingencies**	**2 058.55**	**2 218.93**	**2 547.16**	**4 277.48**	**5 105.73**	**9 512.67**
	of which provisions for Non-Performing Assets	2 000.01	2 002.15	2 215.59	4 002.16	3 962.19	8 446.60
9	**Exceptional items**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
10	**Profit from ordinary activities before tax (7-8-9)**	**1 570.70**	**1 345.45**	**728.34**	**2 916.15**	**1 585.62**	**3 204.23**
11	**Provision for Taxes (Tax expenses/ (reversal))**	**345.48**	**132.01**	**(360.83)**	**477.49**	**(685.21)**	**(740.59)**
12	**Net Profit from Ordinary Activities after tax (10-11)**	**1 225.22**	**1 213.44**	**1 089.17**	**2 438.66**	**2 270.83**	**3 944.82**
13	**Extraordinary items (net of tax expense)**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
14	**Net Profit for the period (12-13)**	**1 225.22**	**1 213.44**	**1 089.17**	**2 438.66**	**2 270.83**	**3 944.82**
15	Paid-up equity share capital (Face Value of each share - Rs.10/-)	1 245.44	1 245.44	1 245.44	1 245.44	1 245.44	1 245.44
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	36 252.34	36 252.34	31 527.61	36 252.34	31 527.61	36 252.34
17	**Analytical Ratios**						
	(i) Percentage of shares held by Government of India	79.86%	79.86%	79.86%	79.86%	79.86%	79.86%
	(ii) Capital Adequacy Ratio (Basel III)	16.15%	16.51%	15.88%	16.15%	15.88%	16.53%
	(a) Common Equity Tier (CET) 1 Ratio	12.26%	12.53%	11.68%	12.26%	11.68%	12.53%
	(b) Additional Tier 1 Ratio	0.63%	0.64%	0.66%	0.63%	0.66%	0.64%
	(iii) Earnings Per Share (Rs.) (Face Value of each share - Rs.10/-)						
	(a) Basic and diluted EPS before Extraordinary items (net of tax expenses) for the period, for the year to date and for the previous year	*9.84	*9.74	*8.75	*19.58	*19.06	32.38
	(b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	*9.84	*9.74	*8.75	*19.58	*19.06	32.38
	(iv) NPA Ratios:						
	(a) Amount of gross non-performing assets	31 958.83	34 573.34	36 886.07	31 958.83	36 886.07	35 214.25
	(b) Amount of net non-performing assets	6 174.13	8 470.72	11 749.17	6 174.13	11 749.17	8 848.65
	(c) % of Gross NPAs	7.30	8.13	9.56	7.30	9.56	8.47
	(d) % of Net NPAs	1.50	2.12	3.26	1.50	3.26	2.27
	(v) Return on Assets (average) (annualised %)	0.71	0.73	0.69	0.72	0.72	0.63
	(vi) Debt Equity Ratio **	0.43	0.41	0.48	0.43	0.48	0.44
	(vii) Total Debt to Total Assets (%) ***	3.27	3.07	3.26	3.27	3.26	2.55
	(viii) Capital Redemption Reserve/ Debenture Redemption Reserve	NIL	NIL	NIL	NIL	NIL	NIL
	(ix) Outstanding Reedemable Preference Shares	NIL	NIL	NIL	NIL	NIL	NIL
	(x) Networth	36 069.31	34 826.27	33 110.31	36 069.31	33 110.31	33 624.87
	(xi) Operating Profit Margin (%)	28.95	30.31	28.63	29.61	29.24	27.78
	(xii) Net Profit Margin (%)	9.77	10.32	9.52	10.04	9.92	8.62

* Not annualised

** Debt represents borrowing with residual maturity of more than one year

*** Total Debt represents total borrowings of the Bank

Note: Figures of previous periods have been regrouped/reclassified wherever considered necessary to conform to current period

Ashwani Kumar	Imran Amin Siddiqui	S L Jain
Executive Director	**Executive Director**	**Managing Director & CEO**

Place : Chennai
Date : 03.11.2022

SRIRAMAMURTHY & CO. 03032S Chartered Accountants

Ravi Rajan & Co. LLP New Delhi Chartered Accountants

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No.: 003990S/S200018 CHENNAI

G. NATESAN & CO. CHENNAI 600 018 CHARTERED ACCOUNTANTS

SARC & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

Reviewed Standalone Segment Wise Results for the Quarter/ Half year ended 30th September 2022

(Rs. in Crores)

Particulars	Quarter Ended			Half Year Ended		Year ended
	30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
Part A. Business Segments	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
I. Segment Revenue						
(a) Treasury Operations	3 603.20	3 235.43	3 293.60	6 838.63	6 839.56	13 767.26
(b) Corporate / Wholesale Banking	4 266.22	4 188.59	4 063.13	8 454.81	8 225.22	16 082.40
(c) Retail Banking	4 538.20	4 221.23	3 967.62	8 759.43	7 621.70	15 415.12
(d) Other Banking operations	130.39	113.04	116.07	243.43	198.21	506.89
Total	**12 538.01**	**11 758.29**	**11 440.42**	**24 296.30**	**22 884.69**	**45 771.67**
Less : Inter segment Revenue	.00	0.00	0.00	0.00	0.00	0.00
Income from operations	**12 538.01**	**11 758.29**	**11 440.42**	**24 296.30**	**22 884.69**	**45 771.67**
II. Segment Results- Profit before tax						
(a) Treasury Operations	1 541.69	1 419.74	1 505.44	2 961.43	3 212.32	6 355.67
(b) Corporate / Wholesale Banking	974.04	1 038.38	857.40	2 012.42	1 742.62	3 079.29
(c) Retail Banking	1 025.88	1 037.10	837.35	2 062.98	1 611.32	2 938.78
(d) Other Banking Operations	87.64	69.16	75.31	156.80	125.09	343.16
Total	**3 629.25**	**3 564.38**	**3 275.50**	**7 193.63**	**6 691.35**	**12 716.90**
Add : (i) Other Un-allocable Income	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Exceptional item	0.00	0.00	0.00	0.00	0.00	0.00
Less : Other Un-allocated Expenditure (includes Provision & contingencies)	2 058.55	2 218.93	2 547.16	4 277.48	5 105.73	9 512.67
III.Total Profit Before Tax	**1 570.70**	**1 345.45**	**728.34**	**2 916.15**	**1 585.62**	**3 204.23**
Less : Provisions for taxation	345.48	132.01	(360.83)	477.49	(685.21)	(740.59)
IV.Profit after tax	**1 225.22**	**1 213.44**	**1 089.17**	**2 438.66**	**2 270.83**	**3 944.82**
V.Other Information						
Segment Assets						
(a) Treasury Operations	2 16 865.74	2 22 572.85	2 28 850.13	2 16 865.74	2 28 850.13	2 40 001.83
(b) Corporate / Wholesale Banking	2 19 502.29	2 15 223.07	2 09 487.80	2 19 502.29	2 09 487.80	2 15 377.81
(c) Retail Banking	2 27 065.88	2 16 105.01	1 93 638.46	2 27 065.88	1 93 638.46	2 06 008.16
(d) Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
(e) Unallocated Corporate Assets	9 822.15	10 158.01	10 187.22	9 822.15	10 187.22	10 280.25
Total	**6 73 256.06**	**6 64 058.94**	**6 42 163.61**	**6 73 256.06**	**6 42 163.61**	**6 71 668.05**
Segment Liabilities						
(a) Treasury Operations	2 01 993.25	2 07 514.24	2 13 764.76	2 01 993.25	2 13 764.76	2 24 383.64
(b) Corporate / Wholesale Banking	2 04 448.99	2 00 661.72	1 95 678.77	2 04 448.99	1 95 678.77	2 01 362.03
(c) Retail Banking	2 11 493.88	2 01 483.99	1 80 874.19	2 11 493.88	1 80 874.19	1 92 602.11
(d) Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
(e) Unallocated Corporate Liabilities	9 148.55	9 470.75	9 515.70	9 148.55	9 515.70	9 611.47
(f) Capital,Reserves and Surplus	46 171.39	44 928.24	42 330.19	46 171.39	42 330.19	43 708.80
Total	**6 73 256.06**	**6 64 058.94**	**6 42 163.61**	**6 73 256.06**	**6 42 163.61**	**6 71 668.05**
VI.Capital Employed						
(Segment Assets - Segment Liabilities)						
(a) Treasury Operations	14 872.49	15 058.61	15 085.37	14 872.49	15 085.37	15 618.19
(b) Corporate / Wholesale Banking	15 053.30	14 561.35	13 809.03	15 053.30	13 809.03	14 015.78
(c) Retail Banking	15 572.00	14 621.02	12 764.27	15 572.00	12 764.27	13 406.05
(d) Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
(e) Unallocated	673.60	687.26	671.52	673.60	671.52	668.78
Total	**46 171.39**	**44 928.24**	**42 330.19**	**46 171.39**	**42 330.19**	**43 708.80**
Part B - Geographic Segments						
I. Revenue						
(a) Domestic Operations	12 314.55	11 650.89	11 369.20	23 965.44	22 732.56	45 463.98
(b) Foreign Operations	223.46	107.40	71.22	330.86	152.13	307.69
Total	**12 538.01**	**11 758.29**	**11 440.42**	**24 296.30**	**22 884.69**	**45 771.67**
II. Assets						
(a) Domestic Operations	6 45 056.85	6 36 330.80	6 28 552.81	6 45 056.85	6 28 552.81	6 49 993.31
(b) Foreign Operations	28 199.21	27 728.14	13 610.80	28 199.21	13 610.80	21 674.74
Total	**6 73 256.06**	**6 64 058.94**	**6 42 163.61**	**6 73 256.06**	**6 42 163.61**	**6 71 668.05**

Notes:1. Segment revenue and expenses have been apportioned on the basis of Segment assets, wherever direct allocation is not possible

2. Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification

Ashwani Kumar	Imran Amin Siddiqui	S L Jain
Executive Director	Executive Director	Managing Director & CEO

Place : Chennai

Date : 03.11.2022

Standalone Cash Flow Statement for the Half Year ended 30th September 2022

(Rs. in Lakhs)

	Half Year ended	
	30.09.2022	30.09.2021
Net Profit as per Profit and Loss Account	**243866**	**227083**
Adjustments for :		
Provision for NPA	400216	396219
Provision for Investment	58572	19146
Provision for Standard Assets	(13862)	111060
Provision for Tax	47749	(68521)
Other Provisions and Contingencies	4766	4998
Depreciation on Fixed Assets	26860	30326
Interest on Capital Instrument	36794	38365
Loss/(profit) on sale of land and buildings	69	(247)
Dividend income from Subsidiaries and Joint Ventures	(788)	0
Income taxes paid	0	0
Profit before working Capital Changes	**804242**	**758429**
Increase/Decrease in Operating Assets		
(Increase) / Decrease in Investments	(819551)	(458056)
(Increase) / Decrease in Advances	(2688964)	29856
(Increase) / Decrease in Other assets	143676	284695
	(3364839)	**(143505)**
Increase/Decrease in Operating Liabilities		
Increase / (Decrease) in Deposits	(475782)	1340042
Increase/ (Decrease) in Borrowings (other than Capital Instruments)	491392	(521163)
Increase/ (Decrease) in Other liabilities	(95169)	670601
	(79559)	**1489480**
Net cash generated from operations (A)	**(2640156)**	**2104404**
Cash flow from investing activities		
Dividend income from Subsidiaries and Joint Ventures	788	0
Purchase of fixed assets	(12818)	(16092)
Sale of fixed assets	1051	772
Net cash generated from Investing Activities (B)	**(10979)**	**(15320)**
Cash flow from Financing activities		
Payment of dividend	(80954)	(24909)
Redemption of Tier 2 Bonds	0	(60000)
Interest on Capital Instrument	0	(4860)
Equity Capital Issued during the period (incl. Share premium)	0	165000
Net cash generated from financing activities (C)	**(80954)**	**75231**
Net increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)	**(2732089)**	**2164315**

INDIAN BANK
SRIRAMAMURTHY & CO. 003032S Chartered Accountants
Ravi Rajan & Co. LLP New Delhi Chartered Accountants
PKF SRIDHAR & SANTHANAM LLP Firm Regn. No. 003990S/S200018 CHENNAI
G. NATESAN & CO. CHENNAI 600 013 CHARTERED ACCOUNTANTS
SARC & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

(Rs. in Lakhs)

	Half Year ended	
	30.09.2022	30.09.2021
Cash and Cash equivalents at the beginning of the year		
Cash in hand (including foreign currency notes)	196240	165828
Balances with Reserve Bank of India		
(a) in current accounts	2209201	2588680
(b) in other deposit accounts	3450020	890000
Balances with Banks		
(a) in current accounts	618	9509
(b) in other deposit accounts	138615	204643
Money at Call and short notice with Banks	0	0
Balances with Banks outside India		
(a) in current accounts	50398	157768
(b) in other deposit accounts	1945309	1127082
Money at call and short notice	1204	2937
	7991605	**5146447**
Cash & Cash equivalents at the end of the period		
Cash in hand (including foreign currency notes)	157166	192226
Balances with Reserve Bank of India		
(a) in current accounts	2754738	3511714
(b) in other deposit accounts	0	2465000
Balances with Banks		
(a) in current accounts	776	1012
(b) in other deposit accounts	138615	206262
Money at Call and short notice with Banks	0	0
Balances with Banks outside India		
(a) in current accounts	151339	91071
(b) in other deposit accounts	2049589	837035
Money at call and short notice	7293	6442
	5259516	**7310762**
Difference in opening and closing cash and cash equivalents	**(2732089)**	**2164315**

Notes: 1. Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification

2. The Cash flow statement for the half year ended 30th September 2022 has been prepared by Indirect Method

Ashwani Kumar	**Imran Amin Siddiqui**	**S L Jain**
Executive Director	**Executive Director**	**Managing Director & CEO**

Place : Chennai
Date : 03.11.2022

SRIRAMAMURTHY & CO. 03032S Chartered Accountants

Ravi Rajan & Co. LLP New Delhi Chartered Accountants

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No. 003990S/S200018 CHENNAI

G. NATESAN & CO. CHENNAI 600 018 CHARTERED ACCOUNTANTS

SARC & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

इंडियन बैंक Indian Bank
इलाहाबाद ALLAHABAD

Standalone Statement of Assets and Liabilites

(Rs. in Lakhs)

Particulars	As on 30.09.2022 (Reviewed)	As on 30.09.2021 (Reviewed)	As on 31.03.2022 (Audited)
LIABILITIES			
Capital	124544.11	124544.11	124544.11
Reserves and Surplus	4492594.55	4108474.50	4246336.31
Deposits	58885999.19	55147152.92	59361781.37
Borrowings	2205822.73	1892270.38	1714430.85
Other Liabilities & Provisions	1616645.39	2943918.96	1719712.87
TOTAL	**67325605.97**	**64216360.87**	**67166805.51**
ASSETS			
Cash & Balances with RBI	2911904.04	6168940.04	5855460.97
Balances with Banks and Money at Call and Short Notice	2347611.96	1141822.06	2136144.19
Investments	18216838.10	18092606.37	17455858.80
Advances	41207353.93	35836831.47	38918606.32
Fixed Assets	753209.64	722871.82	768371.16
Other Assets	1888688.30	2253289.11	2032364.07
TOTAL	**67325605.97**	**64216360.87**	**67166805.51**
Contingent Liabilities	47325156.80	27152096.81	35351404.83
Bills for Collection	1657701.75	1516334.16	1414489.14

Ashwani Kumar	**Imran Amin Siddiqui**	**S L Jain**
Executive Director	**Executive Director**	**Managing Director & CEO**

Place : Chennai
Date : 03.11.2022

INDIAN BANK CHENNAI-14
SRIRAMAMURTHY & CO. 003032S Chartered Accountants
Ravi Rajan & Co. LLP New Delhi Chartered Accountants
PKF SRIDHAR & SANTHANAM LLP Firm Regn. No. 003990S/S200018 CHENNAI
G. NATESAN & CO. CHENNAI 002018 CHARTERED ACCOUNTANTS
SARC & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

Reviewed Consolidated Financial Results for the Quarter / Half Year ended 30th September 2022

(Rs. in Crores)

Sl. No.	Particulars	Quarter Ended 30.09.2022 (Reviewed)	Quarter Ended 30.06.2022 (Reviewed)	Quarter Ended 30.09.2021 (Reviewed)	Half Year Ended 30.09.2022 (Reviewed)	Half Year Ended 30.09.2021 (Reviewed)	Year Ended 31.03.2022 (Audited)
1	**Interest earned (a) +(b) + (c) +(d)**	**10727.67**	**10165.86**	**9483.38**	**20893.53**	**19109.20**	**38888.44**
	(a) Interest/ discount on advances/ bills	7433.70	7105.02	6655.80	14538.72	13405.23	26927.55
	(b) Income on investments	2913.69	2779.31	2652.98	5693.00	5426.98	10997.62
	(c) Interest on balances with Reserve Bank of India and other inter bank funds	248.17	229.29	149.86	477.46	223.43	851.52
	(d) Others	132.11	52.24	24.74	184.35	53.56	111.75
2	**Other Income**	**1986.53**	**1731.67**	**2030.32**	**3718.20**	**3957.10**	**7379.71**
3	**Total Income (1 + 2)**	**12714.20**	**11897.53**	**11513.70**	**24611.73**	**23066.30**	**46268.15**
4	**Interest Expended**	**6026.08**	**5619.86**	**5391.50**	**11645.94**	**11021.40**	**22129.25**
5	**Operating Expenses (a) + (b)**	**3037.77**	**2702.36**	**2835.29**	**5740.13**	**5322.99**	**11353.54**
	(a) Employees cost	1788.98	1551.03	1723.69	3340.01	3199.51	6738.44
	(b) Other Operating expenses	1248.79	1151.33	1111.60	2400.12	2123.48	4615.10
6	**Total Expenditure (4+5) (excluding provisions and contingencies)**	**9063.85**	**8322.22**	**8226.79**	**17386.07**	**16344.39**	**33482.79**
7	**Operating Profit (3-6) (Profit before Provisions and Contingencies)**	**3650.35**	**3575.31**	**3286.91**	**7225.66**	**6721.91**	**12785.36**
8	**Provisions (other than tax) and Contingencies**	**2060.12**	**2219.72**	**2549.45**	**4279.84**	**5107.99**	**9522.49**
	of which provisions for Non-Performing Assets	2000.01	2002.15	2215.89	4002.16	3962.50	8446.60
9	**Exceptional items**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
10	**Profit from ordinary activities before tax (7-8-9)**	**1590.23**	**1355.59**	**737.46**	**2945.82**	**1613.92**	**3262.87**
11	**Provision for Taxes (Tax Expenses / (Reversal))**	**345.52**	**139.38**	**(359.11)**	**484.90**	**(678.47)**	**(731.02)**
12	**Net Profit from Ordinary Activities after tax and before Minority Interest (10-11)**	**1244.71**	**1216.21**	**1096.57**	**2460.92**	**2292.39**	**3993.89**
13	**Extraordinary items (net of tax expense)**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
14	**Net Profit for the period and before Minority Interest (12-13)**	**1244.71**	**1216.21**	**1096.57**	**2460.92**	**2292.39**	**3993.89**
15	Share of earning in Associates (RRBs)	43.33	94.64	30.04	137.97	94.51	150.30
16	Minority Interest	0.65	(0.23)	0.50	0.42	0.98	2.38
17	**Net Profit for the period (after Minority Interest) (14+15-16)**	**1287.39**	**1311.08**	**1126.11**	**2598.47**	**2385.92**	**4141.81**
18	Paid-up equity share capital (Face Value of each share - Rs.10/-)	1245.44	1245.44	1245.44	1245.44	1245.44	1245.44
19	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	37495.47	37495.47	32573.73	37495.47	32573.73	37495.47
20	**Analytical Ratios**						
	(i) Percentage of shares held by Government of India	79.86%	79.86%	79.86%	79.86%	79.86%	79.86%
	(ii) Capital Adequacy Ratio (Basel III)	16.43%	16.80%	16.14%	16.43%	16.14%	16.84%
	(a) Common Equity Tier (CET) 1 Ratio	12.56%	12.82%	11.95%	12.56%	11.95%	12.84%
	(b) Additional Tier 1 Ratio	0.62%	0.64%	0.66%	0.62%	0.66%	0.64%
	(iii) Earnings Per Share (Face Value of each share - Rs.10/-)						
	(a) Basic and diluted EPS before Extraordinary items (net of tax expenses) for the period, for the year to date and for the previous year	*10.34	*10.53	*9.04	*20.86	*20.02	33.99
	(b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	*10.34	*10.53	*9.04	*20.86	*20.02	33.99
	(iv) NPA Ratios:						
	(a) Amount of gross non-performing assets	31958.83	34573.34	36910.54	31958.83	36910.54	35214.25
	(b) Amount of net non-performing assets	6174.13	8470.72	11749.17	6174.13	11749.17	8848.65
	(c) % of Gross NPAs	7.30	8.13	9.57	7.30	9.57	8.47
	(d) % of Net NPAs	1.50	2.12	3.26	1.50	3.26	2.27
	(v) Return on Assets (average) (annualised %)	0.77	0.78	0.71	0.77	0.75	0.64

* Not annualised

Note: Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period

Ashwani Kumar Executive Director	Imran Amin Siddiqui Executive Director	S L Jain Managing Director & CEO

Place : Chennai
Date : 03.11.2022

SRIRAMAMURTHY & CO. Chartered Accountants 03032S

Ravi Rajan & Co. LLP New Delhi Chartered Accountants

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No. 003990S/S200018 CHENNAI

G. NATESAN & CO. CHENNAI 600078 CHARTERED ACCOUNTANTS

SARC & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

Reviewed Consolidated Segment Wise Results for the Quarter/Half year ended 30th September 2022

(Rs. in Crores)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2022 (Reviewed)	30.06.2022 (Reviewed)	30.09.2021 (Reviewed)	30.09.2022 (Reviewed)	30.09.2021 (Reviewed)	31.03.2022 (Audited)
Part A. Business Segments						
I. Segment Revenue						
(a) Treasury Operations	3 603.20	3 235.43	3 293.60	6 838.63	6 839.56	13 767.26
(b) Corporate / Wholesale Banking	4 266.22	4 188.59	4 063.13	8 454.81	8 225.22	16 082.40
(c) Retail Banking	4 538.20	4 221.23	3 967.62	8 759.43	7 621.70	15 415.12
(d) Other Banking operations	306.58	252.28	189.35	558.86	379.82	1 003.37
Total	**12 714.20**	**11 897.53**	**11 513.70**	**24 611.73**	**23 066.30**	**46 268.15**
Less : Inter segment Revenue	0.00	0.00	0.00	0.00	0.00	0.00
Income from operations	**12 714.20**	**11 897.53**	**11 513.70**	**24 611.73**	**23 066.30**	**46 268.15**
II. Segment Results- Profit before tax						
(a) Treasury Operations	1 541.69	1 419.74	1 505.44	2 961.43	3 212.32	6 355.67
(b) Corporate / Wholesale Banking	974.04	1 038.38	857.40	2 012.42	1 742.62	3 079.29
(c) Retail Banking	1 025.88	1 037.10	837.35	2 062.98	1 611.32	2 938.78
(d) Other Banking Operations	108.74	80.09	86.72	188.83	155.65	411.62
Total	**3 650.35**	**3 575.31**	**3 286.91**	**7 225.66**	**6 721.91**	**12 785.36**
Add: (i) Other Un-allocable Income	43.33	94.64	30.04	137.97	94.51	150.30
(ii) Exceptional item	0.00	0.00	0.00	0.00	0.00	0.00
Less:(i) Minority Interest	0.65	(0.23)	0.50	0.42	0.98	2.38
(ii) Other Un-allocated Expenditure (includes Provision & contingencies)	2 060.12	2 219.72	2 549.45	4 279.84	5 107.99	9 522.49
III.Total Profit Before Tax	**1 632.91**	**1 450.46**	**767.00**	**3 083.37**	**1 707.45**	**3 410.79**
Less : Provisions for taxation	345.52	139.38	(359.11)	484.90	(678.47)	(731.02)
IV.Profit after tax	**1 287.39**	**1 311.08**	**1 126.11**	**2598.47**	**2 385.92**	**4 141.81**
V.Other Information						
Segment Assets						
(a) Treasury Operations	2 16 865.74	2 22 572.85	2 28 850.13	2 16 865.74	2 28 850.13	2 40 001.83
(b) Corporate / Wholesale Banking	2 19 502.29	2 15 223.07	2 09 487.80	2 19 502.29	2 09 487.80	2 15 377.81
(c) Retail Banking	2 27 065.88	2 16 105.01	1 93 638.46	2 27 065.88	1 93 638.46	2 06 008.16
(d) Other Banking Operations	2 488.51	2 272.98	2 212.49	2 488.51	2 212.49	2 382.36
(e) Unallocated Corporate Assets	9 868.97	10 199.73	10 225.29	9 868.97	10 225.29	10 326.27
Total	**6 75 791.39**	**6 66 373.64**	**6 44 414.17**	**6 75 791.39**	**6 44 414.17**	**6 74 096.43**
Segment Liabilities						
(a) Treasury Operations	2 01 993.25	2 07 514.24	2 13 764.76	2 01 993.25	2 13 764.76	2 24 383.64
(b) Corporate / Wholesale Banking	2 04 448.99	2 00 661.72	1 95 678.77	2 04 448.99	1 95 678.77	2 01 362.03
(c) Retail Banking	2 11 493.88	2 01 483.99	1 80 874.19	2 11 493.88	1 80 874.19	1 92 602.11
(d) Other Banking Operations	1 132.07	984.08	1 089.35	1 132.07	1 089.35	1 185.25
(e) Unallocated Corporate Liabilities	9 148.55	9 470.75	9 515.70	9 148.55	9 515.70	9 611.47
(f) Capital,Reserves and Surplus	47 574.65	46 258.86	43 491.40	47 574.65	43 491.40	44 951.93
Total	**6 75 791.39**	**6 66 373.64**	**6 44 414.17**	**6 75 791.39**	**6 44 414.17**	**6 74 096.43**
VI.Capital Employed						
(Segment Assets - Segment Liabilities)						
(a) Treasury Operations	14 872.49	15 058.61	15 085.37	14 872.49	15 085.37	15 618.19
(b) Corporate / Wholesale Banking	15 053.30	14 561.35	13 809.03	15 053.30	13 809.03	14 015.78
(c) Retail Banking	15 572.00	14 621.02	12 764.27	15 572.00	12 764.27	13 406.05
(d) Other Banking Operations	1 356.44	1 288.90	1 123.14	1 356.44	1 123.14	1 197.11
(e) Unallocated	720.42	728.98	709.59	720.42	709.59	714.80
Total	**47 574.65**	**46 258.86**	**43 491.40**	**47 574.65**	**43 491.40**	**44 951.93**
Part B - Geographic Segments						
I. Revenue						
(a) Domestic Operations	12 490.74	11 790.13	11 442.48	24 280.87	22 914.17	45 960.46
(b) Foreign Operations	223.46	107.40	71.22	330.86	152.13	307.69
Total	**12 714.20**	**11 897.53**	**11 513.70**	**24 611.73**	**23 066.30**	**46 268.15**
II. Assets						
(a) Domestic Operations	6 47 592.18	6 38 645.50	6 30 803.37	6 47 592.18	6 30 803.37	6 52 421.69
(b) Foreign Operations	28 199.21	27 728.14	13 610.80	28 199.21	13 610.80	21 674.74
Total	**6 75 791.39**	**6 66 373.64**	**6 44 414.17**	**6 75 791.39**	**6 44 414.17**	**6 74 096.43**

Notes: 1. Segment revenue and expenses have been apportioned on the basis of Segment assets, wherever direct allocation is not possible

2. Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification

Ashwani Kumar Executive Director	Imran Amin Siddiqui Executive Director	S L Jain Managing Director & CEO

Place : Chennai

Date : 03.11.2022

इंडियन बैंक Indian Bank

इलाहाबाद ALLAHABAD

Consolidated Cash Flow statement for the Half Year ended 30th September 2022

(Rs in Crores)

	Half Year ended	
	30.09.2022	30.09.2021
Net Profit as per Profit and Loss Account before minority Interest	**2598.89**	**2386.90**
Adjustments for :		
Provision for NPA	4002.16	3962.50
Provision for Investment	587.24	(15.03)
Provision for Standard Assets	(138.62)	1110.60
Provision for Tax	484.90	(678.47)
Other Provisions and Contingencies	48.50	49.91
Depreciation on Fixed Assets	270.01	305.10
Interest on Capital Instrument	367.94	383.65
Loss/(profit) on sale of land and buildings	0.69	(0.61)
Income taxes paid	(5.45)	(7.13)
Profit before working Capital Changes	**8216.26**	**7497.42**
(Increase)/Decrease in Operating Assets		
(Increase) / Decrease in Investments	(8347.98)	(4466.48)
(Increase) / Decrease in Advances	(26880.41)	298.25
(Increase) / Decrease in Other Assets	1471.19	2795.15
	(33757.20)	**(1373.08)**
Increase/(Decrease) in Operating Liabilities		
Increase/(Decrease) in Deposits	(4756.83)	13396.14
Increase/(Decrease) in Borrowings (other than Capital Instruments)	4917.12	(5215.79)
Increase/(Decrease) in Other liabilities	(1017.39)	6733.72
	(857.10)	**14914.07**
Net cash generated from Operations (A)	**(26398.04)**	**21038.41**
Cash flow from Investing activities		
Purchase of fixed assets	(133.21)	(162.95)
Sale of fixed assets	10.61	7.90
Net cash generated from Investing Activities (B)	**(122.60)**	**(155.05)**
Cash flow from Financing activities		
Payment of dividend	(809.54)	(249.09)
Redemption of Tier-2 Bonds	0.00	(600.00)
Interest on Capital Instrument	0.00	(48.60)
Equity Capital issued during the period (incl. Share premium)	0.00	1650.00
Net cash generated from financing activities (C)	**(809.54)**	**752.31**
Net increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)	**(27330.18)**	**21635.67**

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G. NATESAN & CO. CHENNAI 600 018 CHARTERED ACCOUNTANTS

SARC & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

(Rs in Crores)

	Half Year ended	
	30.09.2022	30.09.2021
Cash and cash equivalents at the beginning of the period		
Cash in hand (including foreign currency notes)	1962.45	1658.38
Balances with Reserve Bank of India		
(a) in current accounts	22092.01	25886.80
(b) in other deposit accounts	34500.20	8900.00
Balances with Banks		
(a) in current accounts	30.64	116.03
(b) in other deposit accounts	1413.81	2065.07
Money at Call and short notice with Banks	0.00	0.00
Balances with Banks outside India		
(a) in current accounts	503.98	1577.68
(b) in other deposit accounts	19453.09	11270.82
Money at call and short notice	12.04	29.37
	79968.22	**51504.15**
Cash & Cash equivalents at the end of the period		
Cash in hand (including foreign currency notes)	1571.71	1922.31
Balances with Reserve Bank of India		
(a) in current accounts	27547.38	35117.14
(b) in other deposit accounts	0.00	24650.00
Balances with Banks		
(a) in current accounts	18.36	22.34
(b) in other deposit accounts	1418.38	2082.54
Money at Call and short notice with Banks	0.00	0.00
Balances with Banks outside India		
(a) in current accounts	1513.39	910.71
(b) in other deposit accounts	20495.89	8370.36
Money at call and short notice	72.93	64.42
	52638.04	**73139.82**
Difference in opening and closing cash and cash equivalents	**(27330.18)**	**21635.67**

Notes: 1. Figures of previous periods have been regrouped/ reclassified wherever considered necessary to conform to current period classification

2. The Cash flow statement for the half year ended 30th September 2022 has been prepared by Indirect Method

Ashwani Kumar **Executive Director**	**Imran Amin Siddiqui** **Executive Director**	**S L Jain** **Managing Director & CEO**

Place : Chennai
Date : 03.11.2022

Consolidated Statement of Assets and Liabilities

(Rs. in Lakhs)

Particulars	As on 30.09.2022 (Reviewed)	As on 30.09.2021 (Reviewed)	As on 31.03.2022 (Audited)
LIABILITIES			
Capital	124544.11	124544.11	124544.11
Reserves and Surplus	4632919.99	4224595.45	4370648.82
Minority Interest	2540.40	2358.25	2498.22
Deposits	58881403.27	55142594.42	59357087.52
Borrowings	2206996.57	1894699.58	1715285.02
Other Liabilities & Provisions	1730734.42	3052625.20	1839577.99
TOTAL	**67579138.76**	**64441417.01**	**67409641.68**
ASSETS			
Cash & Balances with RBI	2911909.32	6168944.41	5855466.31
Balances with Banks and Money at Call and Short Notice	2351894.10	1145037.49	2141355.74
Investments	18426235.70	18277394.91	17650161.14
Advances	41206431.03	35836831.47	38918606.32
Fixed Assets	755080.45	724311.59	769891.05
Other Assets	1927588.16	2288897.14	2074161.12
TOTAL	**67579138.76**	**64441417.01**	**67409641.68**
Contingent Liabilities	47332434.60	27159693.64	35358682.63
Bills for Collection	1657701.75	1516334.16	1414489.15

Ashwani Kumar	Imran Amin Siddiqui	S L Jain
Executive Director	**Executive Director**	**Managing Director & CEO**

Place : Chennai
Date : 03.11.2022

Sriramamurthy & Co. Chartered Accountants 03032S
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PKF Sridhar & Santhanam LLP Chennai Firm Regn. No. 003990S/S200018
G. Natesan & Co. Chennai Chartered Accountants 002418
SARC & Associates New Delhi Chartered Accountants

इंडियन बैंक Indian Bank
इलाहाबाद ALLAHABAD

Corporate Office, Chennai

Notes forming part of Standalone and Consolidated Reviewed Financial Results for the Quarter / Half year ended September 30, 2022

1. The above financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors in their respective meetings held on 03.11.2022. The results have been subjected to Limited Review by the Statutory Central Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India and as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

2. The above financial results have been arrived at after considering provision for non-performing assets, loan losses, restructured assets, standard assets, stressed sector accounts, income tax, deferred tax, depreciation on investments and fixed assets, standard derivative exposure, unhedged foreign currency exposure, employees' benefits, other necessary provisions on the basis of prudential norms and directions issued by RBI and applicable Accounting Standards issued by the Institute of Chartered Accountants of India. Provision for employee benefits pertaining to Pension, Gratuity and Leave Encashment has been made on the basis of actuarial valuation.

3. The Bank has applied its significant accounting policies in the preparation of these financial results that are consistent with those followed in the annual financial statements for the year ended March 31, 2022. The above financial results have been drawn in accordance with Accounting Standard 25 - 'Interim Financial Reporting'.

4. The consolidated financial results are prepared in accordance with Accounting Standard 21 – 'Consolidated Financial Statements', Accounting Standard 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures' issued by The Institute of Chartered Accountants of India and guidelines issued by RBI.

5. The details of Subsidiaries, Associates and Joint Ventures of the Bank along with the percentage of shares held are:
   - **Subsidiaries:** Indbank Merchant Banking Services Ltd (64.84%) and Ind Bank Housing Ltd (51%),
   - **Associates:** Tamil Nadu Grama Bank (35%), Saptagiri Grameena Bank (35%), Puduvai Bharathiar Grama Bank (35%) and
   - **Joint ventures:** Universal Sompo General Insurance Company Ltd (28.52%) and ASREC (India) Ltd (38.26%).

6. In accordance with provision under SEBI (LODR) Regulations, 2015 (as amended), for the purpose of consolidated financial results of the quarter / half year ended September 30, 2022, minimum eighty percent of each of consolidated revenue, assets and profits have been subjected to review.

7. COVID-19 pandemic has adversely impacted the economic activity across the globe including the Indian economy for more than two years. However, the bank's results, operations and asset quality have not been affected much because of the pandemic. Further bank has made necessary provisions for all COVID related restructuring of loans. The Bank is however keeping a close watch on developments on an ongoing basis and taking proactive measures continuously to maintain and improve asset quality. The bank, therefore, believes that there may not be any significant impact on Bank's future financial results.

8. Other income includes profit/ loss on sale of assets (net), profit/ loss on sale of investments (net), profit/ loss on revaluation of investments (MTM) (net), earnings from foreign exchange and derivative transactions, income from sale of PSLC certificates, recoveries from accounts previously written off, dividend income etc.

9. In accordance with RBI Master Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated 01.07.2015 on 'Basel III Capital Regulations' and RBI Circular DBR.No.BP.BC.80 /21.06.201/2014-15 dated 31.03.2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards - Amendments', the banks are required to make Pillar 3 disclosures including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III capital requirements. The disclosures are available on the Bank's website www.indianbank.in. These disclosures have not been subjected to Limited Review by Statutory Central Auditors.

10. Based on the available financial statements and the declaration from borrowers, the Bank has estimated the liability towards Unhedged Foreign Currency Exposure to their constituents in terms of RBI circular DBOD.No.BP.BC. 85/21.06.200/2013-14 dated 15.01.2014 on 'Capital and provisioning requirements for exposures to entities with unhedged foreign currency exposure', and the bank holds a provision of Rs. 15.10 Crores as on 30.09.2022.

    During the quarter ended September 30, 2022, incremental provision is not required. (During the quarter ended June 30, 2022, a provision of Rs. 11.22 Crores was made.)

11. Non-Performing Assets Provision Coverage ratio is 91.08 % as on 30.09.2022. (88.08% as on 30.06.2022).

12. In accordance with the RBI Letters DBR.No.BP.BC.18/21.04.048/2018-19 dated 01.01.2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated 11.02.2020 and DOR.No. BP.BC/4/21.04.048/2020-21 dated 06.08.2020 on 'Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances', the details of MSME restructured accounts under the Scheme are as under:

No. of Accounts Restructured	Outstanding as on 30.09.2022 (Rs. in Crores)
40,309	2,175.76

INDIAN BANK CHENNAI-14

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13. In accordance with the RBI Circular DOR.STR.REC.11/21.04.048/2021-22 dated 05.05.2021 on 'Resolution Framework 2.0: Resolution of COVID – 19 related stress of Individuals and Small Business', the number of borrower accounts where modifications were sanctioned and implemented and the aggregate exposure to such borrowers are as under:

No. of Accounts Restructured	Aggregate exposure as on 30.09.2022 (Rs. in Crores)
602	95.68

14. As per RBI Circulars DBR.No. BP.15199/21.04.048/2016-17 dated 23.06.2017 and DBR No BP.1949/21.04.048/2017-18 dated 28.08.2017, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Bank is holding total provision of Rs. 5,638.19 Crores (100% of total outstanding amount less contingency fund) as on 30.09.2022.

15. Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circulars dated 06.08.2020 (Resolution Framework 1.0) and 05.05.2021 (Resolution Framework 2.0) as at 30.09.2022 are as under:

(All amounts in Rs. Crores)

S.No.	Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (March 31, 2022) (A)	Of (A), aggregate debt that slipped into NPA during the half-year (September 30, 2022)	Of (A) amount written off during the half-year (September 30, 2022)	Of (A) amount paid by the borrowers during the half-year (September 30, 2022)**	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year (September 30, 2022)
1	Personal Loans	7,831	347	0.00	362	7,122
2	Corporate Persons*	4,680	371	0.00	223	4,086
	Of which, MSMEs	*3,068*	*141*	*0.00*	*-118*	*3,045*
3	Others	5911	481	0.00	578	4,852
	Total (1+2+3)	**18,422**	**1,199**	**0.00**	**1,163**	**16,060**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

** Represents net of additional funding, upgradation of accounts and repayment.

SRIRAMAMURTHY & CO. 03032S Chartered Accountants

Ravi Rajan & Co. LLP New Delhi Chartered Accountants

PKF SRIDHAR & SANTHANAM LLP Firm Regn No. 003990S/S200018 CHENNAI

G. NATESAN & CO. CHENNAI 600 018 CHARTERED ACCOUNTANTS

SARC & ASSOCIATES NEW DELHI 20 CHARTERED ACCOUNTANTS

16. In accordance with RBI Circular DOR.STR.REC.51/21.04.048/2021-22 dated 24.09.2021 on 'Master Direction – Reserve Bank of India (Transfer of loan exposures) Directions, 2021', the details of loans transferred/ acquired during half year ended September 30, 2022 are given below:

(a) Details of Loans not in default:

(i) Acquired through assignment/pool buy-out are given below:

Rs in Crores

Particulars	RBD	RETAIL	MSME
Mode of Acquisition	Direct Assignment	Direct Assignment	Direct Assignment
Aggregate Principal outstanding of loans acquired (Rs. in Crores)	855.91	1546.57	743.43
Weighted Average Residual Maturity (in years)	1.75	3.67	3.58
Weighted Average Holding Period by originator (in years)	0.25	0.28	0.33
Retention of beneficial economic interest by the originator (%)	5.00%- 10.00%	10.00%	10.00%
Tangible Security Coverage (%)	Not Applicable	132.67%	68.00%
Rating Wise Distribution of loans acquired by value (Rs. In Crores)	A Rated Accounts: 855.91	AA : 1489.01 A : 57.56	AA (+/-) : 336.58 A (+/-) : 406.85

(ii) Loans not in default transferred: NIL

(b) Details of stressed loan transferred or acquired:

(i) Transferred (NPA) during the period of 01.04.2022 to 30.09.2022:

(Rs. in Crore except number of accounts)

Particulars	To ARCs	To permitted transferees	To other transferees
No. of Accounts	3	NIL	
Aggregate principal outstanding loans transferred (Rs in Crores)	85.89		
Weighted average residual tenor of the loans transferred	0.00		
Net book value of loans transferred (at the time of transfer)	0.00		
Aggregate Consideration (Rs in Crores)	46.93		
Additional consideration realized in respect of accounts transferred in earlier years	0.00		

The Bank has reversed the amount of Rs. 44.28 Crores of excess provision to the profit and loss account on account of sale of stressed loans.

(ii) The bank has not transferred any Stressed loans (SMA) during the half year ended 30.09.2022

(iii) The bank has not acquired any Stressed loans (NPA & SMA) during the half year ended 30.09.2022

(iv) The distribution of Security Receipts (SRs) held by the Bank across the various categories of Recovery Ratings assigned to such SRs by the Credit Rating Agencies as on 30.09.2022 is given as under:

(Rs. in Crores)

Recovery Rating	Book Value
RR 1+ (Above 150%)	0.78
RR 1 (Above 100% up to 150%)	86.48
RR 2 (Above 75% up to 100%)	176.61
RR 3 (Above 50% up to 75%)	14.92
RR 4 (Above 25% up to 50%)	128.67
RR 5 (Up to 25%)	46.34
SRs with unrated (0%)	580.62
TOTAL	**1,034.42***

* The bank is holding 100 % provision

17. Impact of RBI Circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 07.06.2019 on 'Prudential Framework for resolution of stressed assets' is as follows: -

(Rs. in Crores)

Amount of loans impacted by RBI circular (a)	Amount of loans to be classified as NPA (b)	Amount of loans as on 30.09.2022, out of (b) classified as NPA (c)	Addl. provision required for loans covered under RBI circular (d)	Provision out of (d) already made by 30.09.2022 (e)
16,017.86	15,935.25	15,935.25	1,665.10	1,665.10 *

* including provision of Rs. 780.80 Crores on Non Fund outstanding of the NPA account as on 30.09.2022.

18. As per RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated 07.04.2022 on 'Establishment of Digital Banking Units (DBUs)', for the purpose of disclosure under Accounting Standard 17 – 'Segment reporting', 'Digital Banking' has been identified as a sub-segment under Retail Banking by Reserve Bank of India (RBI). However, Digital Banking Unit (DBU) has not commenced operations as on September 30, 2022.

19. The current tax expenses and deferred tax expenses are determined in accordance with the provisions of the Income Tax Act, 1961 and as per the Accounting Standard 22 – 'Accounting for Taxes on Income' and Accounting Standard 25 – 'Interim Financial Reporting'.

20. Figures for the corresponding previous periods have been regrouped/ reclassified wherever considered necessary. The figures for the quarter ended September 30, 2022 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2022 and the published year to date figures up to June 30, 2022.

21. The number of investors' complaints received and disposed off during the period 01.07.2022 to 30.09.2022:

Beginning : 02	Received : 59	Resolved : 61	Closing : NIL

Ashwani Kumar
Executive Director

Imran Amin Siddiqui
Executive Director

S L Jain
Managing Director & CEO

Place: Chennai
Date: 03.11.2022

Independent Auditors' Limited Review Report on Unaudited Standalone Financial Results of Indian Bank for the Quarter and Half year ended September 30, 2022 pursuant to the Regulation 33 & Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Indian Bank
Chennai

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Indian Bank ("the Bank") for the quarter and half year ended September 30, 2022("the Statement") attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulations") except for the disclosures relating to Pillar 3 disclosure as at September 30, 2022 including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us.

2. The Statement, which is the responsibility of the Bank's Management and approved by the Bank's Board of Directors, has been prepared by the Bank's Management in accordance with the recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting' (AS 25) issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulations Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('RBI') from time to time ('RBI Guidelines) and other accounting principles generally accepted in India . Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A Review is limited primarily to inquiries of Bank's personnel and analytical and other review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. The financial results incorporate the returns of top 20 domestic branches, 1 treasury branch, 1 credit card division and other central office departments reviewed by us, 3 foreign branches reviewed by overseas audit firms specifically appointed for this purpose.

   In the conduct of our review, we have relied upon the returns of 547 branches reviewed by the external concurrent auditors and 1,241 branches (including Gift City) branches reviewed by inspection team of the bank.

   The above review reports cover, in total, 83.23% per cent of the advance portfolio of the bank and 68.58% of its non-performing assets.

   Apart from these review reports, we have also relied upon unreviewed returns of 4,299 domestic branches that were generated through centralized data base of the bank and the Bank's central office.

SRIRAMAMURTHY & CO. 003032S Chartered Accountants
Ravi Rajan & Co. LLP New Delhi Chartered Accountants
PKF SRIDHAR & SANTHANAM LLP Firm Regn. No. 003990S/S200018 CHENNAI
G. NATESAN & CO. CHENNAI 600 018 CHARTERED ACCOUNTANTS
SARC & ASSOCIATES NEW DELHI-20 CHARTERED ACCOUNTANTS

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Our opinion is not modified in respect of matters mentioned in Para 4.

For SRIRAMAMURTHY & CO
Chartered Accountants
FR No. 003032S

DONDETI TEJA SAGAR
Partner
(M. No. 227878)
UDIN: 22227878BBWJYW6048

For RAVI RAJAN & CO LLP
Chartered Accountants
FR No. 009073N / N500320

SUMIT KUMAR
Partner
(M No. 512555)
UDIN:22512555BBWHCH4870

For PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants
FR No. 003990S/S200018

P DEVI
Partner
(M. No. 223137)
UDIN: 22223137BBWMOX1874

For G NATESAN & Co
Chartered Accountants
FR No. 002424S

S V KRISHNAMURTHY
Partner
(M. No. 021951)
UDIN: 22021951BBWGQK4960

For S A R C & ASSOCIATES
Chartered Accountants
FR No. 006085N

CHETAN THAKKAR
Partner
(M. No.114196)
UDIN: 22114196BBWJZT6348

Place: Chennai
Date: 03.11.2022

Independent Auditors' Limited Review Report on Unaudited Consolidated Financial Results of Indian Bank for the Quarter and half year ended September 30, 2022 pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Indian Bank
Chennai

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Indian Bank (the Parent) and its Subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the net profit after tax of its Associates and Joint Ventures for the quarter and half year ended September 30, 2022 ("the Statement"), being prepared and submitted by the Parent pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except for the disclosures relating to Pillar 3 disclosure as at September 30, 2022, including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), issued by Institute of Chartered Accountants of India , the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our Review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A Review is limited primarily to inquiries of Bank's personnel and analytical and other review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

   Parent:
   1. Indian Bank

   Subsidiaries:
   1. Indbank Merchant Banking Services Ltd
   2. Indbank Housing Ltd

Associates:

1. Tamilnadu Grama Bank
2. Saptagiri Grameena Bank
3. Puduvai Bharathiar Grama Bank

Joint Ventures:

1. ASREC (India) Ltd
2. Universal Sompo General Insurance Company Ltd

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the quarterly review reports of the branch auditors and other auditors referred to in paragraph 6, 7, 8 & 9 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, except for the disclosures relating to Pillar 3 disclosure as at September 30, 2022, including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations, as have been disclosed on the bank's website, and in respect of which a link has been provided in the Statement and have not been reviewed by us, or that it contains any material misstatement.

6. The unaudited interim financial results included in the standalone unaudited interim financial results of the Parent included in the Group incorporate the results of 1791 branches of the Parent that have not been reviewed by us. The results of these branches reflect total advances of Rs. 2,08,213.61 crores as at September 30, 2022 and total revenues of Rs. 7,891.93crores for the half year ended September 30, 2022.

   In the conduct of our review, so far as these branches are concerned, we have relied on the review reports submitted by the Concurrent Auditors of 547 branches and the inspection team of the Bank for 1241 branches to the Bank Management, whose reports / returns have been furnished to us. Our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on those reports/ returns and the procedures performed by us as stated in paragraph 3 above.

   Further, the consolidated unaudited interim financial results also include the results of 4,299 branches included in the standalone unaudited interim financial results of the Parent included in the Group, which have not been reviewed, whose results reflect total advances of Rs. 73,264.52 crores as at September 30, 2022 and total revenues of Rs. 2,802.66 crores for the half year ended September 30, 2022.

7. We did not review the interim financial results of the two subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 66.42 crores as at September 30, 2022, total revenue of Rs. 8.48 crores and net profit/(loss) after tax of Rs. 0.25 crores for the half year ended September 30, 2022, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

8. The consolidated unaudited financial results include the Group's share of net profit after tax of Rs.4.21 Crores for the half year ended September 30, 2022 in respect of one associate and are based on their interim financial results which have not been reviewed. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group. Further the consolidated unaudited financial results include the Group's share of net profit after tax of Rs 134.53 Crores for the half year ended September 30, 2022 in respect of two associates, whose financial results have been reviewed by other auditors whose report has been furnished to us by the Management.

9. Further, the consolidated unaudited financial results also include the interim financial results of two Joint Ventures which have not been reviewed, whose interim financial results reflect total assets of Rs. 1,544.87 crores as at September 30, 2022, total revenues of Rs. 317.10 crores and net profit after tax of Rs. 30.57 Crores for the half year ended September 30, 2022 as considered in the consolidated unaudited financial results.

Our conclusion is not modified in respect of matters mentioned in paras 6, 7, 8 and 9 above.

For SRIRAMAMURTHY & CO
Chartered Accountants
FR No. 003032S

DONDETI TEJA SAGAR
Partner
(M. No. 227878)
UDIN: 22227878BBWKEK1081

For RAVI RAJAN & CO LLP
Chartered Accountants
FR No. 009073N / N500320

SUMIT KUMAR
Partner
(M No. 512555)
UDIN: 22512555BBWHGW5265

For PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants
FR No. 003990S/S200018

P DEVI
Partner
(M. No. 223137)
UDIN: 22223137BBWNRL5266

For G NATESAN & Co
Chartered Accountants
FR No. 002424S

S V KRISHNAMURTHY
Partner
(M. No. 021951)
UDIN: 22021951BBWGTX1315

For S A R C & ASSOCIATES
Chartered Accountants
FR No. 006085N

CHETAN THAKKAR
Partner
(M. No. 114196)
UDIN: 22114196BBWKGP6903

Place: Chennai
Date: 03.11.2022

इंडियन बैंक Indian Bank

Standalone Balance Sheet as on 31st March 2023

(Rs. in Thousands)

Particulars	Sch. No.	As on 31.03.2023 (Audited)	As on 31.03.2022 (Audited)
CAPITAL & LIABILITIES			
Capital	1	1245 44 11	1245 44 11
Reserves and Surplus	2	46727 31 46	42463 36 31
Deposits	3	621165 75 65	593617 81 37
Borrowings	4	22073 03 09	17208 97 47
Other Liabilities & Provisions	5	19289 18 81	17132 46 25
TOTAL		**710500 73 12**	**671668 05 51**
ASSETS			
Cash & Balances with R B I	6	32692 63 01	58554 60 97
Balances with Banks and Money at Call and Short Notice	7	17439 94 87	21361 44 19
Investments	8	185988 25 25	174558 58 80
Advances	9	449296 73 37	389186 06 32
Fixed Assets	10	7459 04 04	7683 71 16
Other Assets	11	17624 12 58	20323 64 07
TOTAL		**710500 73 12**	**671668 05 51**
Contingent Liabilities	12	381303 03 27	355947 25 18
Bills for Collection		16082 16 20	14144 89 14

Place : Chennai
Date : 08.05.2023

General Manager - CFO

S L Jain
Managing Director & CEO

Ashutosh Choudhury
Executive Director

Mahesh Kumar Bajaj
Executive Director

Ashwani Kumar
Executive Director

Imran Amin Siddiqui
Executive Director

DIRECTORS

Maruthi Prasad Tangirala
Government Nominee Director

Aditya Gaiha
RBI Nominee Director

Bharath Krishna Sankar
Shareholder Director

Papia Sengupta
Shareholder Director

Balmukund Sahay
Part Time Non Official Director

Vishvesh Kumar Goel
Part Time Non Official Director

STATUTORY CENTRAL AUDITORS

For M/s. P K F Sridhar & Santhanam LLP
Chartered Accountants
FR No. 003990S/S200018

P DEVI
Partner
(M. No.223137)
UDIN: 23223137BGYLPY1043

For M/s. G Natesan & Co
Chartered Accountants
FR No. 002424S

V MARGASAHAYAM
Partner
(M. No. 020555)
UDIN: 23020555BGWSZN3645

For S A R C & ASSOCIATES
Chartered Accountants
FR No. 006085N

CHETAN THAKKAR
Partner
(M. No. 114196)
UDIN: 23114196BGUMBD4391

For M/s. Kailash Chand Jain & Co
Chartered Accountants
FR No. 112318W

SANDEEP K JAIN
Partner
(M. No. 110713)
UDIN: 23110713BGYQGQ1225

For M/s. S Singhal & Co
Chartered Accountants
FR No. 001526C

MUKESH KUMAR KHANDELWAL
Partner
(M. No. 074661)
UDIN: 23074661BGXKJD3312

इंडियन बैंक Indian Bank
इलाहाबाद ALLAHABAD

Standalone Profit and Loss Account for the Quarter / Year Ended 31st March 2023

(Rs. in Thousands)

Particulars	Sch. No.	Y.E. 31.03.2023 (Audited)	Y.E. 31.03.2022 (Audited)
I. INCOME			
Interest earned	13	44942 21 29	38856 22 07
Other Income	14	7143 06 26	6915 44 97
TOTAL		**52085 27 55**	**45771 67 04**
II. EXPENDITURE			
Interest expended	15	24716 75 04	22128 27 05
Operating expenses	16	12097 90 28	10926 50 28
Provisions & Contingencies		9988 92 02	8772 07 65
TOTAL		**46803 57 34**	**41826 84 98**
III.PROFIT/LOSS			
Net Profit / Loss (-) for the Period		5281 70 21	3944 82 06
Profit / Loss (-) Brought forward		129 77 18	100 16 28
Less: Other Adjustments		0	-23 21 49
TOTAL		**5411 47 39**	**4021 76 85**
IV. APPROPRIATIONS			
Transfer to :			
Statutory Reserves		1320 43 00	986 21 00
Capital Reserves		0	147 90 00
Special Reserves u/s 36(1)(viii)		191 73 00	108 35 00
Revenue Reserves		2655 00 00	1800 00 00
Staff Welfare Fund		40 00 00	40 00 00
Equity Dividend		1071 07 94	809 53 67
Bal. carried over to Balance Sheet		133 23 45	129 77 18
TOTAL		**5411 47 39**	**4021 76 85**
Earnings Per Share in Rs. (basic & diluted)		42.41	32.38

Place : Chennai
Date : 08.05.2023

General Manager - CFO

S L Jain
Managing Director & CEO

Ashutosh Choudhury
Executive Director

Mahesh Kumar Bajaj
Executive Director

Ashwani Kumar
Executive Director

Imran Amin Siddiqui
Executive Director

DIRECTORS

Maruthi Prasad Tangirala
Government Nominee Director

Aditya Gaiha
RBI Nominee Director

Bharath Krishna Sankar
Shareholder Director

Papia Sengupta
Shareholder Director

Balmukund Sahay
Part Time Non Official Director

Vishvesh Kumar Goel
Part Time Non Official Director

STATUTORY CENTRAL AUDITORS

For M/s. P K F Sridhar & Santhanam LLP
Chartered Accountants
FR No. 003990S/S200018

P DEVI
Partner
(M. No.223137)
UDIN: 23223137BGYLPY1043

For M/s. G Natesan & Co
Chartered Accountants
FR No. 002424S

V MARGASAHAYAM
Partner
(M. No. 020555)
UDIN: 23020555BGWS2N3645

For S A R C & ASSOCIATES
Chartered Accountants
FR No. 006085N

CHETAN THAKKAR
Partner
(M. No. 114196)
UDIN: 23114196BGUMBD4391

For M/s. Kailash Chand Jain & Co
Chartered Accountants
FR No. 112318W

SANDEEP K JAIN
Partner
(M. No. 110713)
UDIN: 23110713BGYQ
9Q1225

For M/s. S Singhal & Co
Chartered Accountants
FR No. 001526C

MUKESH KUMAR KHANDELWAL
Partner
(M. No. 074661)
UDIN: 23074661BGXKJD3312

(Rs. in Thousands)

Particulars	As on 31.03.2023	As on 31.03.2022
SCHEDULE 1 - CAPITAL		
I. Authorised Capital		
300,00,00,000 Equity Shares of Rs.10/- each	3000 00 00	3000 00 00
II. Issued, Subscribed and Paid up:		
Equity Shares:		
a) 99,45,49,600 Equity shares of Rs.10/- each held by Government of India (P.Y.- 99,45,49,600 Equity shares of Rs. 10/- each)	994 54 96	994 54 96
b) 25,08,91,539 Equity shares of Rs.10/- each held by Public (P.Y. 25,08,91,539 Equity shares of Rs.10/- each)	250 89 15	250 89 15
TOTAL	**1245 44 11**	**1245 44 11**
SCHEDULE 2 - RESERVES AND SURPLUS		
I. STATUTORY RESERVES		
a) Opening Balance	9635 96 51	8649 75 51
b) Additions during the period	1320 43 00	986 21 00
c) Deductions during the period	0	0
TOTAL I	**10956 39 51**	**9635 96 51**
II. CAPITAL RESERVES		
A) Revaluation Reserve		
a) Opening Balance	6211 02 26	5754 96 63
b) Additions during the period	0	599 48 14
c) Deductions during the period	104 12 40	143 42 51
TOTAL (A)	**6106 89 86**	**6211 02 26**
B) Others		
a) Opening Balance	1060 90 74	913 00 74
b) Additions during the period	0	147 90 00
c) Deductions during the period	0	0
TOTAL (B)	**1060 90 74**	**1060 90 74**
TOTAL II (A + B)	**7167 80 60**	**7271 93 00**

INDIAN BANK C.O. Accts. Dept CHENNAI-14

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No. 003990S/S200018 CHENNAI

G. NATESAN & CO. CHENNAI 600 018 CHARTERED ACCOUNTANTS

SARC & ASSOCIATES FRN 006085N Chartered Accountants

KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

(Rs. in Thousands)

Particulars	As on 31.03.2023	As on 31.03.2022
III. SHARE PREMIUM		
a) Opening Balance	2391 54 44	857 61 90
b) Additions during the period	0	1533 92 54
c) Deductions during the period	0	0
TOTAL III	**2391 54 44**	**2391 54 44**
IV. REVENUE AND OTHER RESERVES		
A) Revenue Reserve		
a) Opening Balance	15067 74 45	13124 31 94
b) Additions during the period	2655 00 00	1800 00 00
c) Tfrd from Revaluation Reserve	104 12 40	143 42 51
d) Deductions during the period	0	0
TOTAL (A)	**17826 86 85**	**15067 74 45**
B) Special Reserve U/S 36(1)(viii) of IT Act		
a) Opening Balance	2283 87 00	2175 52 00
b) Additions during the period	191 73 00	108 35 00
c) Deductions during the period	0	0
TOTAL (B)	**2475 60 00**	**2283 87 00**
C) Special Reserve U/S 36(1)(viii a) of IT Act		
a) Opening Balance	58 20 00	58 20 00
b) Additions during the period	0	0
c) Deductions during the period	0	0
TOTAL (C)	**58 20 00**	**58 20 00**
D) Investment Fluctuation Reserve		
a) Opening Balance	1031 90 00	1031 90 00
b) Additions during the period	0	0
c) Deductions during the period	0	0
TOTAL (D)	**1031 90 00**	**1031 90 00**
E) Investment Reserve		
a) Opening Balance	186 37 77	186 37 77
b) Additions during the period	0	0
c) Deductions during the period	0	0
TOTAL (E)	**186 37 77**	**186 37 77**

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G. NATESAN & CO. CHENNAI 600 018 CHARTERED ACCOUNTANTS

SARC & ASSOCIATES FRN 006085N Chartered Accountants

KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

(Rs. in Thousands)

Particulars	As on 31.03.2023	As on 31.03.2022
F) Foreign Currency Translation Reserve		
a) Opening Balance	397 23 78	421 92 88
b) Additions during the period	93 32 88	0
c) Deductions during the period	0	24 69 10
TOTAL (F)	**490 56 66**	**397 23 78**
G) IRS Reserve		
a) Opening Balance	1 90 63	1 90 63
b) Additions during the period	0	0
c) Deductions during the period	0	0
TOTAL (G)	**1 90 63**	**1 90 63**
TOTAL IV (A + B + C + D+ E + F + G)	**22071 41 91**	**19027 23 63**
V. AMALGAMATION RESERVE		
a) Opening Balance	4006 91 55	4006 91 55
b) Additions during the period	0	0
c) Deductions during the period	0	0
TOTAL V	**4006 91 55**	**4006 91 55**
VI. PROFIT & LOSS ACCOUNT		
Opening Balance	129 77 18	100 16 28
Additions during the period	5281 70 21	3944 82 06
Deductions during the period	5278 23 94	3915 21 16
Adjustments from Share Premium	0	0
TOTAL VI	**133 23 45**	**129 77 18**
TOTAL (I+II+III+IV+V+VI)	**46727 31 46**	**42463 36 31**

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(Rs. in Thousands)

Particulars	As on 31.03.2023	As on 31.03.2022
SCHEDULE 3 - DEPOSITS		
A. I. DEMAND DEPOSITS		
i) From Banks	138 92 81	125 59 56
ii) From Others	35718 10 13	36592 97 46
TOTAL	**35857 02 94**	**36718 57 02**
II. SAVINGS BANK DEPOSITS	**224952 40 93**	**211207 62 07**
III. TERM DEPOSITS		
i) From Banks	9516 08 89	6067 87 21
ii) From Others	350840 22 89	339623 75 07
TOTAL	**360356 31 78**	**345691 62 28**
TOTAL (I+II+III)	**621165 75 65**	**593617 81 37**
B. I) Deposits of branches in India	608027 42 90	584660 65 57
II) Deposits of branches outside India	13138 32 75	8957 15 80
TOTAL (I+II)	**621165 75 65**	**593617 81 37**

SCHEDULE 4 - BORROWINGS

I. BORROWINGS IN INDIA		
i) Reserve Bank of India	0	0
ii) Other Banks	2 04	5 12
iii) Other Institutions and Agencies *	20147 58 04	15349 67 62
TOTAL	**20147 60 08**	**15349 72 74**
II. BORROWINGS OUTSIDE INDIA **	1925 43 01	1859 24 73
TOTAL (I+II)	**22073 03 09**	**17208 97 47**
Secured Borrowings included above	0	0

* includes AT-1 Capital -Perpetual Debt Instrument of Rs. 2000 00 00 (P.Y. Rs. 2000 00 00) and Tier II Capital - Subordinated debt of Rs. 7000 00 00 (P.Y. Rs. 7000 00 00).

** Includes pipeline and un-adjusted items in Nostro Mirror Balances

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(Rs. in Thousands)

Particulars	As on 31.03.2023	As on 31.03.2022
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	1841 95 09	1585 16 73
II. Inter Office Adjustments(Net)	0	0
III. Interest Accrued	1479 65 56	994 13 70
IV. Others(including Provisions) *	15967 58 16	14553 15 82
TOTAL (I+II+III+IV)	**19289 18 81**	**17132 46 25**
* includes Contingent Provisions against Standard Assets of Rs. 608 94 827 (P.Y. - Rs. 378 88 304)		
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	1242 48 09	1962 39 75
II. Balances with Reserve Bank of India in	31450 14 92	56592 21 22
(i) In current Account	26670 14 92	22092 01 16
(ii) Other Deposit Account	4780 00 00	34500 20 06
TOTAL (I+II)	**32692 63 01**	**58554 60 97**
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. IN INDIA		
i) Balances with Banks		
a) in Current Account	18 12 72	6 17 63
b) in Other Deposit Accounts	1573 64 58	1386 15 22
TOTAL (i)	**1591 77 30**	**1392 32 85**
ii) Money at Call and Short Notice (with Banks)	5007 03 77	0
TOTAL (ii)	**5007 03 77**	**0**
TOTAL (i + ii)	**6598 81 07**	**1392 32 85**
II. OUTSIDE INDIA		
i) in Current Accounts	693 48 58	503 97 97
ii) in other Deposit Accounts	10144 91 36	19453 09 25
iii) Money at Call and Short Notice	2 73 86	12 04 12
TOTAL (i + ii + iii)	**10841 13 80**	**19969 11 34**
GRAND TOTAL (I +II)	**17439 94 87**	**21361 44 19**

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(Rs. in Thousands)

Particulars	As on 31.03.2023	As on 31.03.2022
SCHEDULE 8 - INVESTMENTS		
I. INVESTMENTS IN INDIA		
Gross Investments	187882 07 93	178434 87 83
Less: Provsion for Depreciation &NPI	3805 10 31	3656 54 63
Less: Provision on Security Receipts	0	1922 31 20
Net Investments	**184076 97 62**	**172856 02 00**
i) Government Securities	166464 65 49	158313 99 79
ii) Other approved Securities	0	0
iii) Shares	874 56 64	1198 42 29
iv) Debentures and bonds	14451 10 95	12515 35 19
v) Subsidiaries and/or joint ventures (including Associates)	221 00 21	216 16 81
vi) Others	2065 64 33	612 07 92
TOTAL	**184076 97 62**	**172856 02 00**
II. INVESTMENTS OUTSIDE INDIA		
Gross Investments	2041 97 09	1800 52 30
Less: Provsion for Depreciation &NPI	130 69 46	97 95 50
Net Investments	**1911 27 63**	**1702 56 80**
i) Government Securities (including local authorities)	1911 05 40	1702 00 91
ii)Other investments		
a) Shares	22 23	55 89
b) Debt Securities	0	0
TOTAL	**1911 27 63**	**1702 56 80**
NET GRAND TOTAL (I+II)	**185988 25 25**	**174558 58 80**

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(Rs. In Thousands)

Particulars	As on 31.03.2023	As on 31.03.2022
SCHEDULE 9 -ADVANCES		
i) Bills purchased and discounted	2434 93 18	3430 05 82
ii) Cash Credit, Overdrafts and loans repayable on demand	210191 80 73	207613 07 81
iii) Term Loans	236669 99 46	178142 92 69
TOTAL	**449296 73 37**	**389186 06 32**
i) Secured by tangible assets	373959 11 14	322961 60 18
ii) Covered by bank/Government guarantee	39004 97 03	39614 40 28
iii) Unsecured	36332 65 20	26610 05 86
TOTAL	**449296 73 37**	**389186 06 32**
I. ADVANCES IN INDIA		
i) Priority Sector #	170017 91 83	163407 15 71
ii) Public Sector	68741 14 14	67147 92 02
iii) Banks	0	0
iv) Others	181258 29 13	139011 84 53
TOTAL	**420017 35 10**	**369566 92 26**
II. ADVANCES OUTSIDE INDIA		
i) Dues from Banks	19922 99 21	11105 63 45
ii) Dues from others		
a) Bills Purchased and discounted	1046 79 87	2541 53 44
b) Syndicated loans	5113 58 79	4650 75 16
c) Others	3196 00 40	1321 22 01
TOTAL	**29279 38 27**	**19619 14 06**
GRAND TOTAL (I+II)	**449296 73 37**	**389186 06 32**
# RIDF is not included		

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(Rs. in Thousands)

Particulars	As on 31.03.2023	As on 31.03.2022
SCHEDULE 10 -FIXED ASSETS		
I. PREMISES (Incl. Revalued Premises)		
At cost/revaluation as per the last Balance Sheet	7453 87 98	6857 35 52
Additions/Adjustments during the period	6 74 45	601 20 96
Sub-Total	7460 62 43	7458 56 48
Deductions during the period	0	4 68 50
Sub-Total	7460 62 43	7453 87 98
Depreciation to date	1490 17 86	1412 80 63
TOTAL	**5970 44 57**	**6041 07 35**
II. LEASED ASSETS		
At cost/revaluation as per the last Balance Sheet	530 52 79	530 52 79
Additions/Adjustments during the period	0	0
Sub-Total	530 52 79	530 52 79
Deductions during the period	0	0
Sub-Total	530 52 79	530 52 79
Depreciation to date	60 84 44	22 17 67
TOTAL	**469 68 35**	**508 35 12**
III. BUILDINGS UNDER CONSTRUCTION	**1 21 00**	**96 80**
IV.OTHER FIXED ASSETS (including Furniture and Fixtures)		
At cost as per last Balance Sheet	4865 53 29	4628 15 73
Additions/Adjustments during the period	317 60 42	314 04 79
Sub-Total	5183 13 71	4942 20 52
Deductions during the period	95 19 86	76 67 23
Sub-Total	5087 93 85	4865 53 29
Depreciation to date	4072 82 66	3734 94 36
TOTAL	**1015 11 19**	**1130 58 93**
V. Capital Work in Progress	**2 58 93**	**2 72 96**
TOTAL (I+II+III+IV+V)	**7459 04 04**	**7683 71 16**

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(Rs. in Thousands)

Particulars	As on 31.03.2023	As on 31.03.2022
SCHEDULE 11 - OTHER ASSETS		
I. Inter Office Adjustment (net)	112 20 27	270 52 77
II. Interest Accrued	3414 28 57	2968 68 66
III. Tax paid in advance/tax deducted at source (net)	5254 40 17	6407 56 89
IV.Stationery and Stamps	10 87 76	27 06 55
V.Non-banking assets acquired in satisfaction of claims	51 38 26	51 38 26
VI. Others *	8780 97 55	10598 40 94
TOTAL	**17624 12 58**	**20323 64 07**
* includes RIDF/SIDBI/RHDF/NHB Deposits held under HTM Category	848 24 89	1062 15 12
SCHEDULE 12 - CONTINGENT LIABILITIES		
I. Claims against the bank not acknowledged as debts	2091 81 01	2159 16 36
II. Liability for partly paid investments	388 96 17	462 77 26
III. Liability on account of outstanding forward exchange contracts	328152 69 50	306197 71 07
IV.Guarantee given on behalf of constituents*		
a) In India	28971 51 28	24385 92 92
b) Outside India	193 48 98	317 79 31
V. Acceptance, Endorsements and other obligations*	9758 18 18	10837 91 70
VI.Other items for which the bank is contingently liable	11746 38 15	11585 96 56
TOTAL	**381303 03 27**	**355947 25 18**
* Contingent Liability has been considered net of margin		

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(Rs. in Thousands)

Particulars	Y.E. 31.03.2023 (Audited)	Y.E. 31.03.2022 (Audited)
SCHEDULE 13 - INTEREST EARNED		
I. Interest/Discount on Advances/Bills	31941 15 06	26927 56 15
II. Income on Investments	11647 16 82	10964 82 37
III.Interest on balances with Reserve Bank of India and other Inter Bank funds	877 53 68	851 34 00
IV. Others	476 35 73	112 49 55
TOTAL	**44942 21 29**	**38856 22 07**
SCHEDULE 14 - OTHER INCOME		
I. Commission, Exchange and Brokerage	958 45 65	806 11 09
II. Profit on Sale of Investments	552 10 16	1748 06 22
Less: Loss on Sale of Investments	171 17 92	122 30 84
Net	380 92 24	1625 75 38
III. Profit on revaluation of investments	0	89
Less: Loss on revaluation of Investments	86 98 98	343 24 98
Net	-86 98 98	-343 24 09
IV. Profit on sale of land, buildings and other assets *	1 95 64	7 40 31
Less: Loss on Sale of Land, Bldgs. & Other assets *	1 82 19	2 18 28
Net	13 45	5 22 03
V. Profit on exchange transactions (Net)	1008 60 47	689 98 73
VI. Income earned by way of dividends, etc., from Subsidiaries/Companies and/or Joint ventures abroad/in India	44 79 76	28 15 18
VII. Miscellaneous Income	4837 13 67	4103 46 65
TOTAL	**7143 06 26**	**6915 44 97**
* Amount relates to Safe, Furniture, Vehicle & Machinery		
SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on deposits	23184 25 68	20935 55 65
II. Interest on Reserve Bank of India/Inter Bank borrowings	616 17 43	248 46 35
III.Others	916 31 93	944 25 05
TOTAL	**24716 75 04**	**22128 27 05**

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(Rs. in Thousands)

Particulars	Y.E. 31.03.2023 (Audited)	Y.E. 31.03.2022 (Audited)
SCHEDULE 16 - OPERATING EXPENSES		
I. Payments to and provisions for employees	7527 22 77	6695 70 68
II. Rent, Taxes and Lighting	620 98 45	613 74 14
III. Printing and Stationery	98 74 82	84 60 78
IV. Advertisement and Publicity	27 72 03	21 71 34
V. Depreciation on Bank's property	528 81 10	597 49 99
VI. Directors' fees allowance and expenses	1 10 69	44 31
VII.Auditors' fees and expenses(including branch auditors)	52 16 17	47 37 52
VIII. Law charges	19 29 48	17 38 61
IX. Postage, Telegrams and Telephones	95 83 34	109 86 46
X. Repairs and Maintenance	192 49 78	243 87 09
XI. Insurance	813 51 24	742 35 00
XII. Other Expenditure	2120 00 41	1751 94 36
TOTAL	**12097 90 28**	**10926 50 28**

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Schedule 17 - Significant Accounting Policies (Standalone)

1 ACCOUNTING CONVENTION

The financial statements are prepared by following the going concern concept on historical cost convention unless otherwise stated. They conform to generally accepted accounting principles in India, which comprises statutory provisions, regulatory / Reserve Bank of India guidelines, accounting standards / guidance notes issued by the Institute of Chartered Accountants of India and the practices prevalent in the Banking Industry in India. In respect of foreign branches as per statutory provisions and practices prevailing in the respective countries.

2 USE OF ESTIMATES

The preparation of financial statements requires the management to make estimates and assumptions for considering the reported assets and liabilities (including contingent liabilities) as on the date of financial statements and the income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

3 TRANSACTIONS INVOLVING FOREIGN EXCHANGE

Foreign Currency transactions of Indian operations and non-integral foreign operations are accounted for as per Accounting Standard-11 (AS-11) issued by the Institute of Chartered Accountants of India (ICAI).

3.1 Translation in respect of Indian operations

- Foreign exchange transactions are recorded at the Weekly Average Rate (WAR) notified by Foreign Exchange Dealers' Association of India (FEDAI).
- Foreign currency assets and liabilities are translated at the closing rates notified by FEDAI at the year end.
- Acceptances, endorsements and other obligations and guarantees in foreign currency are carried at the closing rates notified by FEDAI at the year end.
- Exchange differences arising on settlement and translation of foreign currency assets and liabilities at the end of the financial year are recognized as income or expenses in the period in which they arise.
- Outstanding forward exchange contracts are disclosed at the Contracted rates, and revalued at FEDAI closing rates, and the resultant effect is recognized in the Profit and Loss account.

3.2 Translation in respect of non-integral foreign operations.

Foreign branches are classified as non-integral foreign operations and the financial statements are translated as follows:

- Assets and liabilities including contingent liabilities are translated at the closing rates notified by FEDAI at the year end.
- Income and expenses are translated at the Quarterly Average Closing rate notified by FEDAI at the end of the respective quarter.
- All resulting exchange differences are accumulated in a separate account "Foreign Currency Translation Reserve" (FCTR) till the disposal of the net investments.

4. INVESTMENTS

4.1The entire investment portfolio of the Bank is classified in accordance with the RBI guidelines into three categories viz.

- Held To Maturity (HTM)
- Available For Sale (AFS)
- Held For Trading (HFT)

The securities acquired with the intention to be held till maturity are classified under **"HTM"** category. The securities acquired with the intention to trade by taking advantage of short–term price / interest movements are classified as **"HFT"**. All other securities which do not fall under any of the two categories are classified under **"AFS"** category.

An investment is classified as Held to Maturity, Available for Sale or Held for Trading at the time of its purchase/acquisition and subsequent shifting is done in conformity with the Regulatory guidelines. Transfer of scrips, if any, from one category to another is done at the lowest of acquisition cost/book value/market value on the date of transfer and depreciation, if any, on such transfer is fully provided for.

Investment in Subsidiaries, Joint Ventures and Associates are classified as Held to Maturity.

4.2 Profit on sale of securities under HTM category is first taken to Profit and Loss account and thereafter appropriated to Capital Reserve account (net of taxes and amount required to be transferred to statutory reserves) and loss, if any, charged to Profit & Loss account.

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4.3 Investments in India are valued in accordance with RBI guidelines, as under:

a) Securities in **HTM** category are valued at acquisition cost except where the acquisition cost is higher than the face value, in which case, such excess of acquisition cost over the face value is amortised over the remaining period of maturity. Any diminution, other than temporary, in value of investments in subsidiaries/joint ventures/Associates which are included under HTM category is recognized and provided. Such diminution is being determined and provided for each investment individually. Investment in units of Venture Capital funds (VCF) / Alternate Investment Fund (AIF) made after 23.08.2006 are classified under HTM category for initial period of 3 years and valued at cost.

b) Investment in Subsidiaries, Joint Ventures and Associates are valued at historical cost. Investment in sponsored Regional Rural Banks(RRB) are valued at carrying cost (i.e. Book value).

c) Investments in **AFS** category are marked to market, scrip-wise and classification wise, at quarterly intervals. Net depreciation, if any, is provided for in the Profit and Loss account while net appreciation, if any, is ignored. The book value of the individual securities does not undergo any change after marking to market.

d) The individual scrips in the **HFT** category are marked to market at daily intervals. Net depreciation, if any, is provided for in the Profit and Loss account while net appreciation, if any, is ignored. The Book Value of the individual securities in this category does not undergo any change.

e) Securities in **AFS and HFT** categories are valued as under:

i. Central Government Securities and State Govt. Securities are valued at prices / YTM rates as announced by Primary Dealers Association of India (PDAI) jointly with Fixed Income Money Market and Derivatives Association of India (FIMMDA) / Financial Benchmark India Private Ltd (FBIL).

ii. Other approved securities are valued applying the YTM method by marking up 25 basis points above the yields of the Central Government Securities of equivalent maturity put out by PDAI / FIMMDA/ FBIL periodically.

iii. Equity shares are valued at market price, if quoted. Unquoted equity shares are valued at break-up value (without considering revaluation reserves if any) as per the company's latest balance sheet (not more than one year prior to

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the date of valuation). Otherwise, the shares are valued at Re. 1 per company.

iv. Preference shares are valued at market price, if quoted; otherwise at lower of the value determined based on the appropriate YTM rates or redemption value.

v. All debentures/bonds, other than those which are in the nature of advances, are valued on the YTM basis.

vi. Treasury bills, Certificate of deposits and Commercial papers are valued at carrying cost.

vii. Units of Mutual Funds are valued at market price, if quoted; otherwise at lower of repurchase price or Net Asset Value (NAV). In case of funds with a lock-in period, where repurchase price / market quote is not available, units are valued at NAV, else valued at cost till the end of the lock-in period.

viii. Investment in units of Venture Capital funds (VCF) / Alternate Investment Fund (AIF) made after 23.08.2006 are classified under HTM category for initial period of 3 years and valued at cost. After period of 3 years from the date of disbursement, it will be shifted to AFS and marked-to-market as per RBI guidelines.

ix. In respect of investment at Overseas branches, RBI guidelines or those of the host countries whichever are more stringent are followed. In case of those branches situated in countries where no guidelines are specified, the guidelines of RBI are followed.

4.4 Non-performing investment (NPI) are identified as stated below, as per guidelines issued by RBI.

- Securities/Non-cumulative Preference shares where interest/fixed dividend/instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.

- If any credit facility availed by the issuer from the Bank is a Non-performing advance in the books of the bank, investment in any of the securities including preference shares issued by the same issuer is also treated as NPI and vice versa. However, if only the preference shares are classified as NPI, the investments in any of the other performing securities issued by the same

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issuer may not be classified as NPI and any performing credit facilities granted to that borrower need not be treated as NPA.

- Investments backed by guarantee of the Central Government though overdue are treated as Non-Performing Asset (NPA) only when the Government repudiates its guarantee when invoked.

- Investment in State Government guaranteed securities, including those in the nature of 'deemed advances', are subjected to asset classification and provisioning as per prudential norms if interest/ installment of principal (including maturity proceeds) or any other amount due to the Bank remains unpaid for more than 90 days.

- Equity investment classified as NPI should be valued at market value, if quoted, and in case where equity is not quoted, it should be valued at Re.1

4.5 Brokerages / Commission / incentive received on subscriptions are deducted from the cost of securities. Brokerage / Commission / Stamp duty paid in connection with acquisition of securities are treated as revenue expenses.

4.6 Interest Rate Swap transactions for trading is marked to market at quarterly intervals. The fair value of the total swaps is computed on the basis of the amount that would be received/ receivable or paid/ payable on termination of the swap agreements as on the balance sheet date. Losses arising there from, if any, are fully provided for, while the profit, if any, is ignored.

4.7 Exchange traded FX Derivatives i.e. Currency Futures, are valued at the Exchange determined prices and the resultant gains and losses are recognized in the Profit and Loss account.

4.8 Premium/interest arising at the inception of forward exchange swap facility of RBI for FCNR (B) dollar deposits is amortized as expense over the period of the swap contract.

4.9 Cost of investments is determined based on the Weighted Average Cost method in each category. Investments classified under HTM are carried at acquisition cost as arrived under Weighted Average Cost method and in case the weighted average cost is more than the face value, the premium is amortised over the remaining period of maturity.

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- **Accounting for Repo/Reverse Repo transactions:**

  All types of repo/reverse repo transactions with RBI including LAF, variable rate term operations, Long term Repo operations (LTRO), MSF and also Market Repo transactions are accounted as per RBI guidelines.

  The securities sold and purchased under Repo/Reverse Repo are accounted as Triparty Repo wherein securities are transferred as in the case of normal outright sale/purchase transactions and such movement of securities is reflected using the Repo/Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as Interest expenditure / income, as the case may be. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified as under:

(a) All type of reverse repos with the Reserve Bank of India including those under Liquidity Adjustment Facility shall be presented under sub-item (ii) *'In Other Accounts'* of item (II) *'Balances with Reserve Bank of India'* under schedule 6 *'cash and balances with Reserve Bank of India'*.

(b) Reverse repos with banks and other institutions having original tenors up to and inclusive of 14 days shall be classified under item (ii) *'Money at call and short notice'* under Schedule 7 *'Balances with banks and money at call and short notice'*.

(c) Reverse repos with banks and other institutions having original tenors more than 14 days shall be classified under Schedule 9 – *'Advances'* under the following heads:
   i. A.(ii) 'Cash credits, overdrafts and loans repayable on demand'
   ii. B.(i) 'Secured by tangible assets'
   iii. C.(I).(iii) Banks (iv) 'Others' (as the case may be)

5. FINANCIAL ASSETS SOLD TO RECONSTRUCTION COMPANIES (RC)

5.1 Security Receipts (SR) issued by SCs/RCs in respect of financial assets sold to them is recognized at lower of redemption value of SRs and Net Book Value of financial assets. SRs are valued at:

(a) SRs issued by SCs/RCs prior to 01.04.2017 at Net Asset Value declared by SCs/RCs on the Balance Sheet date and depreciation, if any, is provided for and appreciation is ignored.

(b) As per amended guidelines issued by RBI with effect from April 01,2017, provisioning requirement on SRs will be higher of

(i) provisioning rate in terms of Net Asset Value declared by the SCs/RCs

(ii) provisioning rate as applicable to the underlying loans, assuming that the loans notionally continued in the books of the bank

5.2 In case of financial assets sold to RC, the valuation and, income recognition is being done as per RBI Guidelines. If the sale is for value lower than the Net Book Value (NBV) (i.e, book value less provisions held), the shortfall is debited to the Profit and Loss account or met out of utilisation of Floating provision held, as per extant RBI guidelines

If the cash received (by way of initial consideration and /or redemption of security receipts) is higher than the Net Book value of the Non-Performing Asset (NPA) sold to RC, then excess provision is reversed to the profit and Loss account. The quantum of excess provision reversed to profit and loss account is limited to the extent to which cash received exceeds the NBV of the NPA sold.

6 ADVANCES

6.1 In accordance with the prudential norms issued by RBI, advances in India are classified into Standard, Sub-Standard, Doubtful and Loss assets borrower-wise.

6.2 Provisions are made for non-performing advances as under:

a) Sub Standard:

i) A general provision of 15% on the total outstanding

ii) Additional provision of 10% for exposure which are unsecured ab-initio (ie., where realizable value of securities is not more than 10% ab-initio)

b) Doubtful category-1

i) 25 % for Secured portion.

ii) 100% for Unsecured portion.

c) Doubtful Category – 2

i) 40 % for Secured portion.

ii) 100% for Unsecured portion.

d) Doubtful category-3 and Loss advances – 100 %.

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- Provision is made for standard advances including Restructured / Rescheduled standard advances as per RBI directives.

- In respect of foreign branches, income recognition, asset classification and provisioning for loan losses are made as per local requirement or as per RBI prudential norms, whichever is more stringent.

  Further, if an asset in the overseas books of the Bank requires to be classified as NPA at any point of time in terms of regulations issued by Reserve Bank of India, then all the facilities granted by the bank to the borrower and investment in all the securities issued by the borrower will be classified as NPAs/NPIs.
  However, accounts classified as Non-performing/Impaired assets (NPAs) by host regulators for reasons other than record of recovery, would be classified as NPAs at the time of consolidating financial statements in India and provided for, as required; whereas asset classification of other credit exposures to the same counterparties in other jurisdictions (including India) will continue to be governed by the extant guidelines in the respective jurisdictions.

- Advances disclosed are net of provisions made for non-performing assets, DICGC/ ECGC/ CGTMSE claims received and held pending adjustment, repayments received and kept in sundries account, participation certificates, usance bills rediscounted and provision in lieu of diminution in the fair value of restructured accounts classified as standard assets.

7. FIXED ASSETS / DEPRECIATION

7.1 Fixed assets are carried at cost / revalued amount less accumulated depreciation / amortization

7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalized only when it increases the future economicbenefits from such assets on their functioning capacity.

7.3 Depreciation on buildings (including cost of land wherever inseparable / not segregated) and other fixed assets in India will be provided for on the straight-line method at the rates / useful life, as specified below:

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S.N.	Description of fixed assets	Depreciation Rate/ Useful Life
1	Computers	33.33% every year
2	Computer Software forming an integral part of the Computer hardware	33.33% every year
3	Computer Software which does not form an integral part of Computer hardware and cost of Software Development	33.33% every year
4	Automated Teller Machine/ Cash Deposit Machine / Coin Vending Machine	20.00% every year
5	Servers	33.33% every year
6	Network equipment	20.00% every year
7	Other fixed assets	Estimated useful life of major group of assets are as under: Premises : 60 years Safes/Locker/ Doors(Steel): 20 years Vehicles : 5 years Furniture and Fixtures : 10 years Cell phones : 1 year

7.4 In respect of assets sold / acquired during the year, depreciation will be charged on proportionate basis for the number of days the assets have been put to use / from the Date of capitalization during the year.

7.5 Assets costing upto 5000/- will be fully depreciated in the year of purchase.

7.6 The revalued asset will be depreciated over the balance useful life of the asset as assessed at the time of revaluation.

The increase in Net Book Value of the asset due to revaluation will be credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Depreciation relatable to revalued component will be charged against revenue expenditure and an equivalent amount will be charged straight away against revaluation reserve and credited to the revenue reserve, as per revised AS 10 issued by ICAI.

7.7 In respect of Assets where subsidy is received from Government, the same will be credited to the respective asset account and depreciation will be charged accordingly.

7.8 Premium on leasehold land will be capitalized in the year of acquisition and amortized over the period of lease.

7.9 Depreciation in respect of fixed assets at foreign branches will be provided as per the practice prevailing in the respective countries.

7.10 In respect of Non-Banking Assets, no depreciation will be charged.

8. REVENUE RECOGNITION

8.1 Income and expenditure are generally accounted for on accrual basis, unless otherwise stated.

8.2 Income from non-performing assets, Central Government guaranteed assets (where it is overdue beyond 90 days), dividend income, insurance claims, commission on letters of credit / guarantees issued (other than those relating to project finance), income from wealth management, additional interest / overdue charges on bills purchased, finance charges on credit cards, income on Bank's right to recompense, AMC charges on debit cards, all other commission / fee incomeare accounted for on realisation basis and locker rent received, income from Bancassurance products are accounted on accrual basis.

8.3 In case of overdue foreign bills, interest and other charges are recognised till the date of crystallisation as per FEDAI guidelines.

9. CREDIT CARD REWARD POINTS

Reward points earned by card members on use of Card facility is recognized as expenditure on such use.

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10. NET PROFIT / LOSS

The result disclosed in the Profit and Loss Account is after considering:

- Provision for Non-Performing Advances and / or Investments.
- General provision on Standard Advances
- Provision for Restructured Advances
- Provision for Depreciation on Fixed Assets
- Provision for Depreciation on Investments
- Transfer to/ from Contingency Fund
- Provision for direct taxes
- Provision for Unhedged Foreign Currency Exposure
- Usual or/and other necessary provisions

11. STAFF RETIREMENT BENEFITS

i) PROVIDENT FUND

Provident fund is a statutory obligation and in the case of Contributory Provident Fund Optees, the Bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to Profit and Loss Account. The fund is managed by Indian Bank Staff Provident Fund Trust.

ii) GRATUITY

Gratuity liability is a statutory obligation as per Indian Bank Employees' Gratuity Fund Rules and Regulations and is provided for on the basis of an actuarial valuation made at the end of the financial year. The gratuity liability is funded by the Bank and is managed by Indian Bank Employees Gratuity Fund Trust.

iii) PENSION

- Pension liability is a defined benefit obligation under Indian Bank (Employees) Pension Regulations 1995 and is provided for on the basis of actuarial valuation, for the employees who have joined Bank up to 31.03.2010 and opted for pension.

- New Pension Scheme (NPS) which is applicable to employees who joined bank on or after 01.04.2010 and it is a defined contribution scheme. Under NPS the Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit and Loss Account.

iv) COMPENSATED ABSENCES

Accumulating compensated absences such as Privilege Leave and Sick Leave are provided for based on actuarial valuation.

v) OTHER EMPLOYEE BENEFITS

Other Employee benefits such as Leave Fare Concession and Additional Retirement Benefit on Retirement are provided for based on actuarial valuation. In respect of overseas branches and offices, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

12. ACCOUNTING FOR LEASES

Lease payments including cost escalation for assets taken on operating lease arerecognized in the Profit and Loss Account over the lease term or life whichever is lower.

13. CONTINGENT LIABILITIES AND PROVISIONS

13.1 Contingent liability: Past events leading to, possible or present obligations are recognized as contingent liability in the following instances where:

(a) The existence of such obligations has not been confirmed
(b) no outflow of resources are required to settle such obligations
(c) a reliable estimate of the amount of the obligations cannot be made
(d) such amounts are not material

13.2 (a) Provision is recognized in case of present obligations where a reliable estimate can be made and/or where there are probable outflow of resources embodying foregoing of economic benefits to settle the obligations, excluding frivolous claims.

(b) Provision for Market Risk, Country Risk, etc., are made in terms of extant instructions of RBI.

(c) Floating provision as identified by the Bank Management is provided for.

Floating provision may be utilized as per extant RBI guidelines, for -
(i) Making specific provisions for non-performing assets;
(ii) Meeting any shortfall in sale of non-performing assets.

14. IMPAIRMENT OF ASSETS

Impairment losses, if any, on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss Account in accordance with the Accounting Standard 28 "Impairment of Assets". However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

15. TAXES ON INCOME

15.1 Provision for tax is made for both Current Tax and Deferred Tax.

15.2 Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates, tax laws and favourable judicial pronouncements / legal opinion.

15.3 Deferred Tax Assets and Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and tax laws that have been enacted or substantively enacted till the date of the Balance Sheet. Deferred Tax Assets are not recognized unless there is "virtual certainty" that sufficient future taxable income will be available against which such deferred tax assets will be realized.

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इंडियन बैंक Indian Bank
इलाहाबाद ALLAHABAD

SCHEDULE 18 - NOTES ON ACCOUNTS TO STANDALONE FINANCIAL STATEMENTS (2022-23)

1. Regulatory Capital

a. Composition of Regulatory Capital

(₹ in Crore)

Sl. No.	Particulars	2022-23	2021-22
i)	Common Equity Tier 1 capital (CET 1)	42984.44	38725.15
ii)	Additional Tier 1 capital	1980.00	1980.00
iii)	Tier 1 capital (i + ii)	44964.44	40705.15
iv)	Tier 2 capital	10027.45	10394.93
v)	Total capital (Tier 1+Tier 2)	54991.89	51100.08
vi)	Total Risk Weighted Assets (RWAs)	333582.35	308937.61
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	12.89%	12.53%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	13.48%	13.17%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	3.01%	3.36%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	16.49%	16.53%
xi)	Leverage Ratio	5.86%	5.64%
xii)	Percentage of the shareholding of Government of India	79.86%	79.86%
xiii)	Amount of paid-up equity capital raised during the year	--	116.07
xiv)	Amount of non-equity Tier 1 capital raised during the year	--	--
xv)	Amount of Tier 2 capital raised during the year	--	--

b. Draw down from Reserves

(₹ in Crore)

Reserves	Amount drawn		Purpose
	2022-23	2021-22	
Revaluation Reserve	Rs. 104.12	Rs. 143.42	Depreciation on revalued portion on Premises

*For the year 2022-23, the amount was credited to Revenue Reserve A/c as per the provisions of Accounting Standard -10.

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2. Asset liability management

a. Maturity pattern of certain items of assets and liabilities

(₹ in Crore)

	Day 1	2 to 7 days	8 to 14 days	15 to 30 Days	31 days to 2 months	Over 2 months and to 3 months	Over 3 months and up to 6 Months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Deposits	5090.71	19284.00	15425.73	17509.97	20559.77	31590.48	26470.38	54290.15	85289.61	58942.93	286712.02	**621165.76**
Advances	3564.38	7744.04	6801.47	13098.89	21752.13	14476.72	28868.56	51263.41	165377.84	65002.38	71346.92	**449296.73**
Investments*	27120.47	15097.45	11187.68	14865.67	4560.47	6805.07	11003.99	17610.43	27437.53	12169.66	37801.56	**185659.98**
Borrowings	282.05	0.00	665.89	0.72	674.19	693.06	2120.21	4815.20	10992.68	1829.03	0.00	**22073.03**
Foreign Currency assets	76.07	3096.87	5341.93	4616.08	4362.47	6439.10	2523.43	421.66	3805.41	747.06	124.63	**31554.71**
Foreign Currency liabilities	311.50	2015.99	1002.27	2660.78	1555.25	1867.19	1429.61	952.88	2688.21	1599.05	699.84	**16782.57**

Excludes 50% of listed equities of Rs. 328.27 crore

b. Liquidity coverage ratio (LCR)

(Amount in Rs crore)

S.No	Parameter	Q1:2022-23 Total Un-Weighted Value (Average)	Q1:2022-23 Total Weighted Value (Average)	Q2:2022-23 Total Un-Weighted Value (Average)	Q2:2022-23 Total Weighted Value (Average)	Q3:2022-23 Total Un-Weighted Value (Average)	Q3:2022-23 Total Weighted Value (Average)	Q4:2022-23 Total Un-Weighted Value (Average)	Q4:2022-23 Total Weighted Value (Average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		156047.51		146020.36		138226.55		146614.58
Cash-Outflows									
2	Retail deposits and deposits from Small business customers of which:	269059.30	19978.95	269191.18	20057.33	266891.05	19947.90	268706.57	20054.12
(i)	Stable Deposits	138539.66	6926.98	137235.67	6861.78	134824.16	6741.21	136330.71	6816.54
(ii)	Less Stable deposits	130519.63	13051.96	131955.50	13195.55	132066.89	13206.69	132375.86	13237.59
3	Unsecured wholesale funding, of which:	186434.69	87221.74	171370.97	86264.28	175714.10	91351.64	186268.78	95326.80
(i)	Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	185471.90	86258.95	169927.21	84820.53	174279.42	89916.96	186268.78	95326.80
(iii)	Unsecured debt	962.79	962.79	1443.75	1443.75	1434.68	1434.68	0.00	0.00
4	Secured wholesale funding		0.00		0.00		0.00		0.00
5	Additional requirements of which	64458.37	39041.25	60477.04	39473.03	63981.03	40907.92	58961.65	37897.80
(i)	Outflows related to derivative exposures and other collateral requirements	36234.11	36234.11	36912.03	36912.03	37918.41	37918.41	35508.43	35508.43
(ii)	Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	28224.27	2807.14	23565.01	2561.00	26062.62	2989.51	23453.22	2389.37
6	Other contractual funding obligations	1721.40	1721.40	2318.04	2318.04	3659.77	3659.77	3147.73	3147.73
7	Other contingent funding obligations	41440.03	1243.24	41132.70	1234.08	42865.26	1286.06	114606.09	4831.50
8	TOTAL CASH OUTFLOWS		149206.57		149346.76		157153.28		161257.94
Cash Inflows									
9	Secured lending (e.g. reverse	16051.75	0.00	8292.03	0.00	817.68	0.00	692.37	0.00

S.No	Parameter	Q1:2022-23		Q2:2022-23		Q3:2022-23		Q4:2022-23	
		Total Un-Weighted Value (Average)	Total Weighted Value (Average)	Total Un-Weighted Value (Average)	Total Weighted Value (Average)	Total Un-Weighted Value (Average)	Total Weighted Value (Average)	Total Un-Weighted Value (Average)	Total Weighted Value (Average)
	repos)								
10	Inflows from fully performing exposures	29835.42	17004.72	28993.10	17107.66	30773.24	18448.49	28899.95	17455.23
11	Other cash inflows	51658.10	48003.51	53470.42	49314.56	58207.55	52635.00	48085.60	44435.10
12	**Total Cash Inflows**	97545.28	65008.23	90755.55	66422.22	89798.47	71083.49	77677.92	61890.33
			Total adjusted value		Total adjusted value		Total adjusted value		Total adjusted value
13	(%)		156047.51		146020.30		138226.55		146614.58
14	**Total Net Cash Outflows**		84198.34		82924.72		86069.96		99368.21
15	**Liquidity Coverage Ratio**		185.33%		176.09%		160.60%		147.55%

* The average weighted and un-weighted amounts are calculated taking simple average based on daily observations for the respective quarter.
Un-weighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows) except where otherwise mentioned in the circular and LCR template.
Weighted values are calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows)
Adjusted values calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e. cap on Level 2B and Level 2 assets for HQLA and cap on inflows).

The LCR is designed to promote short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficient high quality liquid resources to survive an acute stress scenario lasting for 30 days. As per the RBI guidelines minimum requirement of LCR for FY 2022-23 on a daily basis is 100%. The methodology for estimating the LCR is based on RBI guidelines updated on time to time.

The LCR is calculated by dividing the amount of high quality liquid unencumbered assets (HQLA) by the estimated net outflows over a 30 calendar day period. The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities (deposits viz Retail, Small Business customers (deposits upto r 7.50 crore), unsecured and secured wholesale borrowings) as well as to undrawn commitments and derivatives-related exposures partially offset by inflows from assets maturing within 30 days.

The bank during the quarter ended March 31, 2023 had maintained average HQLA (after haircut) of Rs. 146614.58 crore. HQLA primarily includes SLR securities in excess of minimum Statutory Liquidity Ratio (SLR) requirement the extent allowed under the Marginal Standing Facility (MSF) and the Facility to Avail Liquidity for LCR (FALLCR). Additionally, cash balances in excess of cash reserve requirement with RBI and the overseas central banks form part of level 1 HQLA. The Daily average LCR of the Indian bank for the quarter ended March 31, 2023 was 147.55%.

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The main drivers of LCR of the bank are sufficient high quality liquid assets (HQLAs) to meet liquidity needs of the bank at all times. The weighted cash outflows are primarily driven by unsecured wholesale funding which contributed 59.11% of the total weighted cash outflows. Retail deposits including deposits from small business customers contributed 12.44% of the total weighted cash outflows. The other contingent funding obligations primarily include bank guarantees (BGs) and letters of credit (LCs) issued on behalf of the Bank's clients.

Bank has no significant counterparty (Deposit / Borrowing) as on 31.03.2023. The total contribution of the top 20 largest domestic depositors as on 31.03.2023 is 6.83% of the total deposits. The significant domestic product / instruments includes Savings deposit, Current deposit and Term deposit which are 36.21%, 5.77% and 58.01% of bank's total deposits respectively, the funding from which are widely spread and there is no major concentration risk under Liquidity front for bank.

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c. **Net Stable Funding Ratio (NSFR)**

NSFR Disclosure Template											
		30.06.2022					30.09.2022				
(₹ in Crore)		Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value
		No maturity*	< 6 months	6 months to < 1yr	≥ 1yr		No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item											
1	Capital: (2+3)	**43983.03**	**0.00**	**0.00**	**8080.00**	**52063.03**	**44012.63**	**0.00**	**0.00**	**8080.00**	**52092.63**
2	Regulatory capital	43983.03	0.00	0.00	8080.00	52063.03	44012.63	0.00	0.00	8080.00	52092.63
3	Other capital instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Retail deposits and deposits from small business customers: (5+6)	**182229.54**	**71643.05**	**67501.89**	**57135.85**	**355309.85**	**185560.16**	**67253.01**	**130890.59**	**0.00**	**355463.35**
5	Stable deposits	117994.87	27128.45	33615.90	22321.99	192124.25	119026.59	25474.51	58098.31	0.00	192469.44
6	Less stable deposits	64234.68	44514.60	33885.99	34813.86	163185.60	66533.57	41778.50	72792.28	0.00	162993.91
7	Wholesale funding: (8+9)	**55737.85**	**102053.22**	**33057.93**	**14848.91**	**110273.41**	**55517.71**	**101146.47**	**48449.36**	**0.00**	**88831.70**
8	Operational deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	55737.85	102053.22	33057.93	14848.91	110273.41	55517.71	101146.47	48449.36	0.00	88831.70
10	Other liabilities: (11+12)	**2050.66**	**9992.66**	**3513.37**	**13765.85**	**14599.24**	**3319.80**	**12438.24**	**3450.15**	**14787.34**	**15588.60**
11	NSFR derivative liabilities		441.55	6.60	0.00			505.34	7.62	0.00	
12	All other liabilities and equity not included in the above categories	2050.66	9551.10	3506.78	13765.85	14599.24	3319.80	11932.90	3442.53	14787.34	15588.60
13	**Total ASF (1+4+7+10)**					**532245.53**					**511976.30**

RSF Item											
14	Total NSFR high-quality liquid assets (HQLA)					**7767.59**					**7715.82**
15	Deposits held at other institutions for operational purposes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	Performing loans and securities: (17+18+19+21+23)	**1981.05**	**154325.47**	**59292.68**	**236082.16**	**298853.93**	**1547.49**	**160465.19**	**55468.73**	**248676.64**	**309002.75**
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level1 HQLA and unsecured performing loans to financial institutions	0.00	47197.36	7792.69	40715.02	51690.97	0.00	53174.95	4194.27	46473.01	56546.38
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	0.00	104743.87	49791.39	140249.19	198707.72	0.00	106564.08	48374.07	145328.97	202575.56
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	5002.77	507.77	12608.67	9059.60	0.00	3100.10	731.41	13773.20	8802.36
21	Performing residential mortgages, of which:	0.00	12.92	19.34	31426.99	22787.96	0.00	6.29	21.25	31428.07	23224.11

22	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0.00	6.57	8.89	25783.91	14528.40	0.00	3.66	9.78	25851.30	14528.01
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1981.05	2371.31	1689.27	23690.96	25667.28	1547.49	719.88	2879.14	25446.58	26656.70
24	**Other assets: (sum of rows 25 to 29)**	**7610.29**	**111.52**	**57.90**	**22275.11**	**29926.72**	**7535.79**	**195.50**	**95.44**	**25766.32**	**33219.01**
25	Physical traded commodities, including gold	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	0.00	0.00	0.00	853.97	725.87	0.00	0.00	0.00	2493.59	2119.55
27	NSFR derivative assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted	0.00	111.52	57.90	0.08	169.51	0.00	195.50	95.44	0.22	291.15
29	All other assets not included in the above categories	7610.29	0.00	0.00	21421.06	29031.34	7535.79	0.00	0.00	23272.51	30808.30
30	**Off-balance sheet items**					2261.50					2202.34
31	**Total RSF (14+15+16+24+30)**					**338809.74**					**352139.92**
32	**Net Stable Funding Ratio (%)**					**157.09%**					**145.39%**

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KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

NSFR Disclosure Template

	(₹ in Crore)	31.12.2022 Unweighted value by residual maturity: No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value	31.03.2023 Unweighted value by residual maturity: No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
	ASF Item										
1	Capital: (2+3)	**44180.21**	**0.00**	**400.00**	**7380.00**	**51960.21**	**48019.10**	**0.00**	**900.00**	**7480.00**	**56399.10**
2	Regulatory capital	44180.21	0.00	400.00	7380.00	51960.21	48019.10	0.00	900.00	7480.00	56399.10
3	Other capital instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Retail deposits and deposits from small business customers: (5+6)	**185654.83**	**65134.17**	**133978.36**	**0.00**	**356465.84**	**189974.09**	**61456.17**	**140697.34**	**0.00**	**363318.70**
5	Stable deposits	120088.57	24701.68	58714.25	0.00	193329.28	123665.48	24327.88	60083.78	0.00	197673.28
6	Less stable deposits	65566.26	40432.49	75264.11	0.00	163136.57	66308.61	37128.29	80613.56	0.00	165645.42
7	Wholesale funding: (8+9)	55557.87	109347.76	47399.72	0.00	88464.05	**70835.35**	**100706.51**	**57454.86**	**0.00**	**98098.97**
8	Operational deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	55557.87	109347.76	47399.72	0.00	88464.05	70835.35	100706.51	57454.86	0.00	98098.97
10	Other liabilities: (11+12)	**4659.59**	**8830.56**	**3667.93**	**16076.41**	**16690.37**	**1221.61**	**8565.23**	**6090.77**	**18351.37**	**20826.75**
11	NSFR derivative liabilities		0.00	0.00	0.00			0.00	0.00	0.00	
12	All other liabilities and equity not included in the above categories	4659.59	8830.56	3667.93	16076.41	16690.37	1221.61	8565.23	6090.77	18351.37	20826.75
13	**Total ASF (1+4+7+10)**					**513580.47**					**538643.53**
	RSF Item										

14	Total NSFR high-quality liquid assets (HQLA)					**8129.00**					**8206.86**
15	Deposits held at other institutions for operational purposes	0.00	763.36	0.00	0.00	381.68	**0.00**	**706.02**	**0.00**	**0.00**	**353.01**
16	Performing loans and securities: (17+18+19+21+23)	**1477.13**	**146121.52**	**59211.40**	**260577.57**	**319284.26**	**1448.05**	**156733.40**	**65901.63**	**272054.50**	**336784.25**
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level1 HQLA and unsecured performing loans to financial institutions	0.00	36814.29	4125.17	53128.53	60713.26	0.00	37961.61	8294.28	55604.06	65445.44
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	0.00	107355.65	53425.26	148364.98	207203.64	0.00	113556.76	56379.20	154606.25	215233.89
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	3840.29	290.90	16225.42	10178.31	0.00	4995.43	531.16	17015.25	11270.92
21	Performing residential mortgages, of which:	0.00	12.50	13.53	33057.25	24266.35	0.00	15.42	13.87	34619.82	25177.35

22	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0.00	3.65	9.79	27228.35	15165.57	0.00	3.68	9.48	28654.02	15766.74
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1477.13	1939.08	1647.43	26026.82	27101.02	1448.05	5199.61	1214.28	27224.38	30927.57
24	**Other assets: (sum of rows 25 to 29)**	**7484.28**	**3528.43**	**738.64**	**24583.63**	**36046.32**	**7462.59**	**151.78**	**21.20**	**19593.10**	**26941.70**
25	Physical traded commodities, including gold	0.00				0.00	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0.00	0.00	1924.38	1635.72	0.00	0.00	0.00	1913.17	1626.19
27	NSFR derivative assets		3526.76	738.64	28.25	4293.65	0.00	82.54	1.89	20.89	105.32
28	NSFR derivative liabilities before deduction of variation margin posted		1.67	0.00	0.00	1.67	0.00	69.24	19.31	0.15	88.70
29	All other assets not included in the above categories	7484.28	0.00	0.00	22631.00	30115.28	7462.59	0.00	0.00	17658.89	25121.48
30	**Off-balance sheet items**					**2428.23**					**2555.74**
31	**Total RSF (14+15+16+24+30)**					**366269.49**					**374841.55**
32	**Net Stable Funding Ratio (%)**					**140.22%**					**143.70%**

* Items reported in the 'no maturity' time bucket do not have a stated maturity. These include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

The Net Stable Funding Ratio (NSFR) is a significant component of the Basel III reforms. The NSFR promotes resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding on an ongoing basis. As per the latest RBI Guidelines, NSFR is effective from October 01, 2021.
NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding.

$$\frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}} \geq 100\%$$

Available Stable Funding (ASF)
ASF is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered (viz. up to 1 year) by the NSFR. The amount of ASF is measured, based on the broad characteristics of the relative stability of an institution's funding sources, including the contractual maturity of its liabilities and the differences in the propensity of different types of funding providers to withdraw their funding

Required Stable Funding (RSF)

RSF is the amount of stable funding required based on the liquidity characteristics and residual maturities of various assets held by that institution as well as those of its off-balance sheet (OBS) exposures. RSF is computed by multiplying the outstanding amount of the specified component with the prescribed and associated RSF Factor.

The objective of NSFR is to ensure that banks maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. The NSFR limits over-reliance on short-term wholesale funding, encourages better assessment of funding risk across all on and off-balance sheet items, and promotes funding stability.

Bank's NSFR stands at 140.22% as on 31.12.2022 and 143.70% as on 31.03.2023. NSFR is above the minimum regulatory requirement of 100%. As on 31.03.2023, the Available Stable Funding (ASF) was Rs. 538643.53 crore and the Required Stable Funding (RSF) was Rs. 374841.55 crore.
Bank also computes Liquidity Coverage Ratio and prepares Structural Liquidity Statements on a daily basis to assess the liquidity needs of the Bank.

3. Investments

a. Composition of Investment Portfolio (As on 31.03.2023)

(₹ in Crore)

	Investments in India							Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	140573.58	0.00	0.00	1271.77	252.10	235.31	142332.76	276.64	0.00	0.07	276.71	142609.47
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	31.10	0.00	31.10	0.00	0.00	0.00	0.00	31.10
Net	140573.58	0.00	0.00	1271.77	221.00	235.31	142301.66	276.64	0.00	0.07	276.71	142578.37
Available for Sale												
Gross	25989.93	0.00	2031.44	14665.34	0.00	2770.64	45457.34	1634.41	0.00	130.84	1765.25	47222.59
Less: Provision for Depreciation and non-performing investments (NPI)	88.87	0.00	1158.95	1486.00	0.00	1040.17	3774.00	0.00	0.00	130.69	130.69	3904.69
Net	25901.05	0.00	872.49	13179.34	0.00	1730.47	41683.34	1634.41	0.00	0.15	1634.56	43317.90
Held for Trading												
Gross	-9.98*	0.00	2.08	0.00	0.00	99.88	91.98	0.00	0.00	0.00	0.00	91.98
Less: Provision for Depreciation and non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	-9.98	0.00	2.08	0.00	0.00	99.88	91.98	0.00	0.00	0.00	0.00	91.97
Total Investments	166553.53	0.00	2033.52	15937.11	252.10	3105.82	187882.08	1911.05	0.00	130.91	2041.96	189924.04
Less: Provision for non performing investments	0.00	0.00	0.00	0.00	31.10	0.00	31.10	0.00	0.00	0.00	0.00	31.10
Less: Provision for Depreciation and non-performing investments (NPI)	88.87	0.00	1158.95	1486.00	0.00	1040.17	3774.00	0.00	0.00	130.69	130.69	3904.69
Net	166464.65	0.00	874.57	14451.11	221.00	2065.64	184076.98	1911.05	0.00	0.22	1911.27	185988.25

*Includes Short Sale

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SARC & ASSOCIATES FRN 006085N Chartered Accountants

KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

As on 31.03.2022

(₹ in Crore)

	Investments in India							Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	134412.04	0.00	0.00	1645.95	252.10	152.72	136462.81	550.59	0.00	0.08	550.67	137013.48
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	35.93	0.00	35.93	0.00	0.00	0.00	0.00	35.93
Net	134412.04	0.00	0.00	1645.95	216.17	152.72	136426.88	550.59	0.00	0.08	550.67	136977.55
Available for Sale												
Gross	24018.10	0.00	2306.13	11867.77	0.00	3738.79	41930.79	1151.42	0.00	98.44	1249.86	43180.65
Less: Provision for Depreciation and non-performing investments (NPI)	150.63	0.00	1114.50	998.37	0.00	3279.43**	5542.93	0.00	0.00	97.96	97.96	5640.89
Net	23867.47	0.00	1191.63	10869.41	0.00	459.36	36387.86	1151.42	0.00	0.48	1151.90	37539.76
Held for Trading												
Gross	34.49	0.00	6.79	0.00	0.00	0.00	41.28	0.00	0.00	0.00	0.00	41.28
Less: Provision for Depreciation and non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	34.49	0.00	6.79	0.00	0.00	0.00	41.28	0.00	0.00	0.00	0.00	41.28
Total Investments	158464.63	0.00	2312.92	13513.72	252.10	3891.51	178434.88	1702.01	0.00	98.52	1800.53	180235.41
Less: Provision for non performing investments	0.00	0.00	0.00	0.00	35.93	0.00	35.93	0.00	0.00	0.00	0.00	35.93
Less: Provision for Depreciation and NPI	150.63	0.00	1114.50	998.37	0.00	3279.43**	5542.93	0.00	0.00	97.96	97.96	5640.89
Net	158314.00	0.00	1198.42	12515.35	216.17	612.08	172856.02	1702.01	0.00	0.56	1702.57	174558.59

Note: Value of SRs shown under 'Others' in place of 'Debentures and Bonds' and hived off provision shown under provision for Depreciation and NPI to have congruence with reporting of current year. **Includes hived off provision of Rs 1922.31 Crore

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No. 003990S/S200018 CHENNAI

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b. Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in Crore)

Particulars	2022-23	2021-22
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	5676.82	5454.38
b) Add: Provisions made during the year	1473.84	792.51
c) Less: Write off / write back of excess provisions during the year	3214.87	570.06
d) Closing balance	3935.79	5676.82
ii) Movement of Investment Fluctuation reserve		
a) Opening balance	1031.90	1031.90
b) Add: Amount transferred during the year	-	-
c) Less: Drawdown	-	-
d) Closing balance	1031.90	1031.90
iii) Closing balance in IFR as a percentage of closing balance of investments* in AFS and HFT/Current category	2.47%	2.83%

*Carrying value less net depreciation (ignoring net appreciation) i.e. the net amount reflected in the Balance sheet

c. Sale and transfers to/from HTM category

The value of sales and transfers of securities to/from HTM category did not exceed 5 per cent of the book value of investments held in HTM category at the beginning of the year as per RBI guidelines.

- Loss on account of sale of securities from HTM category amounting to Rs 37.35 crores (previous year Rs 263.51 crores) has been debited from Profit and Loss Account.

- Shifting of securities:

(i) In the beginning of the year, the Bank shifted:

- SLR securities for Book Value of Rs.26342.47 crores was shifted from HTM to AFS which has resulted in no additional provision & Non-SLR VCF securities for Book Value of Rs.2.05 crores from HTM category to AFS category and

- SLR securities for Book Value of Rs.9851.93 crores from AFS category to HTM category which has resulted in adjustment of provision held against depreciation to reduce the book value to the market value.

- In case of securities classified under HTM category, if acquisition cost is more than the face value, the premium is amortized over the remaining period to maturity. For the Financial Year 2022-23, a sum of Rs. 143.25 crores (previous year Rs 184.00 crores) has been amortized and the same is reflected as a deduction from 'Income on Investments'.

d. Non-SLR investment portfolio

i. Non-performing non-SLR investments

(₹ in Crore)

Sl. No.	Particulars	2022-23	2021-22
a)	Opening balance	1979.98	1793.21
b)	Additions during the year since 1st April	1023.98	513.53
c)	Reductions during the above period	182.04	326.77
d)	Closing balance	2821.92	1979.98
e)	Total provisions held	1810.18	907.65

ii. **Issuer composition of non-SLR investments**

(₹ in Crore)

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
(1)	(2)	(3)		(4)		(5)		(6)		(7)	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
a)	PSUs	22873.36	22460.95	20196.01	20645.70	0.00	175.00	394.99	0.36	18321.99	18068.71
b)	FIs	7118.71	5537.00	2845.59	3110.26	134.99	149.99	20.00	0.00	20.00	57.03
c)	Banks	2981.48	1806.55	1413.87	1358.87	0.00	0.00	0.00	0.00	0.00	16.93
d)	Private Corporates	5247.29	5714.71	5044.58	7414.80	164.35	260.64	329.77	258.51	414.65	432.06
e)	Subsidiaries/ Joint Ventures	211.50	211.50	211.50	211.50	0.00	0.00	0.00	0.00	132.63	132.63
f)	Others	2865.18	2044.76	495.91	256.31	0.00	0.00	474.98	0.00	0.00	260.43
g)	Less: Provision held towards depreciation	3846.92	3603.87	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
	Total	**37450.60**	**34171.60**	30207.46	32997.44	299.34	585.63	1219.74	258.87	18889.27	18967.79

e. Repo transactions (in face value terms)

(₹ in Crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31
i) Securities sold under repo				
a) Government securities	0.00	32715.73	9749.74	0.00
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00
ii) Securities purchased under reverse repo				
a) Government securities	0.00	55014.83	6035.82	5007.04
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00

4. Asset quality

a. Classification of advances and provisions held

(₹ in Crore)

	2022-23						2021-22					
	Standard	Non-Performing				Total	Standard	Non-Performing				Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances		Total Standard	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs												
Opening Balance	380410.50	5202.88	25063.04	4948.33	35214.25	415624.75	351861.61	7369.96	24657.89	6427.50	38455.35	390316.96
Add: Additions during the year					7042.73	7042.73					10164.66	10164.66
Less: Reductions during the year					14077.46	14077.46					13405.76	13405.76
Closing balance	445406.98	4191.40	15762.68	8225.45	28179.52	473586.50	380410.50	5202.88	25063.04	4948.33	35214.25	415624.75
Reductions in Gross NPAs due to:												
i) Upgradation					1145.72	1145.72					1574.23	1574.23
ii) Recoveries (excluding recoveries from upgraded accounts & incl others as exchange diff))					4547.31	4547.31					3484.96	3484.96
iii) Technical/ Prudential Write-offs					7188.98	7188.98					7057.06	7057.06
iv) Write-offs other than those under (iii) above					1052.37	1052.37					1289.51	1289.51
(V) COVID moratorium Int reversal					143.07	143.07					0.00	
Provisions (excluding Floating Provisions)												
Opening balance of provisions held	3788.83	1559.09	19475.94	4655.56	25690.59	29479.42	2826.82	1727.63	17644.77	6200.10	25572.50	28399.82
Add: Fresh provisions made during the year					6342.14	6342.14					8142.52	8142.52
Less: Excess provision reversed/ Write-off loans					8528.82	8528.82					8024.43	8024.43
Closing balance of provisions held	6054.74	1379.50	14317.80	7806.61	23503.91	29558.65	3788.83	1559.09	19475.94	4655.56	25690.59	29479.42

Net NPAs											
Opening Balance		3539.47	5178.62	130.56	8848.64			5539.85	6731.28	0.00	12271.13	
Add: Fresh additions during the year					700.59						2022.14	
Less: Reductions during the year					5506.16						5444.63	
Closing Balance		2723.44	1319.64	0.00	4043.07			3539.47	5178.62	130.56	8848.64	
Floating Provisions												
Opening Balance						70.76						70.76
Add: Additional provisions made during the year						0.00						0.00
Less: Amount drawn down during the year						0.00						0.00
Closing balance of floating provisions						70.76						70.76
Technical write-offs and the recoveries made thereon												
Opening balance of Technical/ Prudential written-off accounts					34919.68						30170.05	
Add: Technical/ Prudential write-offs during the year					7346.91						7061.85	
Less: Recoveries made from previously technical/ prudential written-off accounts during the year					5048.92						2312.22	
Closing balance					37217.67						34919.68	

Ratios (in per cent)	31.03.2023	31.03.2022
Gross NPA to Gross Advances	5.95	8.47
Net NPA to Net Advances	0.90	2.27
Provision coverage ratio With AUC	93.82	87.38
Provision coverage ratio Without AUC	85.65	74.87

b. Sector-wise Advances and Gross NPAs

(₹ in Crore)

Sr. No.	Sector	31.03.2023			31.03.2022		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
i)	**Priority Sector**						
a)	Agriculture and allied activities	101000.43	8654.40	8.57%	87065.57	8759.40	10.06%
b)	Advances to industries sector eligible as priority sector lending	28673.35	4313.43	15.04%	26752.74	4694.10	17.55%
c)	Services	50982.45	6468.38	12.69%	47795.22	5974.44	12.50%
d)	Personal loans	10162.22	1145.25	11.27%	22022.67	1972.32	8.96%
	Subtotal (i)	190818.45	20581.47	10.79%	183636.20	21400.26	11.65%
ii)	**Non-priority Sector**						
a)	Agriculture and allied activities	936.14	271.50	29.00%	1068.53	150.64	14.10%
b)	Industry	108343.12	4457.57	4.11%	84098.33	7999.90	9.51%
c)	Services	92520.00	846.26	0.91%	88801.51	4082.68	4.60%
d)	Personal loans	80967.79	2022.72	2.50%	58020.18	1580.77	2.72%
	Sub-total (ii)	282767.05	7598.05	2.69%	231988.55	13813.99	5.95%
	Total (i + ii)	**473586.50**	**28179.52**	**5.95%**	**415624.75**	**35214.25**	**8.47%**

c. Overseas assets, NPAs and revenue

(In ₹ crore)

Particulars	31.03.2023	31.03.2022
Total Assets	31620.97	21674.74
Total NPAs	1267.06	1271.24
Total Revenue	1041.69	307.69

d. Particulars of resolution plan and restructuring

Impact of RBI Circular No RBI/2018-19/2013 DBR No BP.BC.45/21.04.048/2018-19 dated 07.06.2019 on resolution of stressed assets - Revised framework is as follows:

(₹ in Crore)

Amount of loans impacted by RBI circular (a)	Amount of loans to be classified as NPA (b)	Amount of loans as on 31.03.2023, out of (b) classified as NPA (c)	Addl. provision required for loans covered under RBI circular (d)	Provision out of (d) already made by 31.03.2023 (e)
15003.10	13625.38	13625.38	1095.29	1095.29

* including provision of Rs.590.02 Crore on Non Fund outstanding of the NPA account as on 31.03.2023.

During the quarter ended March 31, 2023, the Bank has made additional provision of Rs. 363.61 Crores in certain stressed standard accounts in terms of RBI guidelines on 'Prudential Framework for resolution of stressed assets'.

Indian Bank Corporate Office Chennai-600 014. Accounts Department

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e. Divergence in asset classification and provisioning

In our Bank, divergence are within threshold limit specified in RBI circular no DOR.ACC.REC.No. 45/21/4/018/2021-22 dated 30.08.2021, hence no disclosure on divergence in asset classification and provisioning for NPA is required with respect to RBI's annual supervisory process for FY 2022.

f. Disclosure of transfer of loan exposures

In accordance with RBI Circular No DOR.STR.REC.51/21.04.048/2022-23 dated September 24, 2021 the details of loans transferred/ acquired during year ended March 31, 2023 are given below:

i. Details of loans not in default acquired:

Particular	AGRICULTURE	RETAIL	MSME
Mode of Acquisition	Direct Assignment	Direct Assignment	Direct Assignment
Aggregate Principal outstanding of loans acquired (Rs. in Crore)	1322.84	3826.71	2900.86
Weighted Average Residual Maturity (in years)	1.75 Years	4.75 Yrs	3.47
Weighted Average Holding Period by originator (in years)	0.25 Years	0.32 Yrs	0.36
Retention of beneficial economic interest by the originator (%)	5%-10%	10%	10%
Tangible Security Coverage (%)	Not Applicable	150.80%	61%
Rating Wise Distribution of loans acquired by value	AAA: 0.00 AA: Rs.38.02 Cr A:Rs.1284.82 Cr	AAA: Rs.466.78 Cr AA: Rs.3142.94 Cr A:Rs.216.99 Cr	AAA(+/-): Rs 60.35 Cr AA(+/-): Rs 2073.31 Cr A(+/-): Rs 767.20 Cr

The details of loans transferred/ acquired during previous year ended March 31, 2022 are given below:

Particular	AGRICULTURE	RETAIL	MSME
Mode of Acquisition	Direct Assignment	Direct Assignment	Direct Assignment
Aggregate Principal outstanding of loans acquired (Rs. in Crore)	414.86	2230.60	1566.25
Weighted Average Residual Maturity (in years)	1.75 Yrs	11.47 Yrs	4.50
Weighted Average Holding Period by originator (in years)	0.25	0.51	0.49
Retention of beneficial economic interest by the originator (%)	5%-10%	10%	10%
Tangible Security Coverage (%)	Nil	110%	114%
Rating Wise Distribution of loans acquired by value	AAA: 0.00 AA: Rs.111.00 Cr A:Rs.303.86 Cr	AA Rs 399.27 Cr AA- Rs. 1721.30 Cr A+ Rs. 110.03 Cr	AA(+/-): Rs 1327.10 Cr A(+/-): Rs 239.15 Cr

ii. Details of loans not in default transferred: NIL

iii. Details of stressed loan transferred:

(Rs. in Crore except number of accounts)

Details of Stress loans (NPA Accounts) transferred during the period of 01.04.2022 to 31.03.2023			
Particular	To ARCs	To permitted transferees	To other transferees

Details of Stress loans (NPA Accounts) transferred during the period of 01.04.2022 to 31.03.2023			
Particular	To ARCs	To permitted transferees	To other transferees
No. of Accounts	10	3	NIL
Aggregate principal outstanding loans transferred	837.48	11.68	
Weighted average residual tenor of the loans transferred	0.00	0.00	
Net book value of loans transferred (at the time of transfer)	38.13	0.00	
Aggregate Consideration	439.42	5.70	
Additional consideration realized in respect of accounts transferred in earlier years	---	---	

The Bank has reversed the amount of Rs. 391.95 Crores of excess provision to the profit and loss account on account of sale of stressed loans.

iv. Details of loans acquired during the year: NIL

v. The distribution of Security Receipts (SRs) held by the Bank across the various categories of Recovery Ratings assigned to such SRs by the Credit Rating Agencies as on 31.03.2023 is given as under: (₹ in Cror

Security Receipts	Amount
RR1+ (Above 150%)	0.00
RR1 (Above 100% up to 150%)	49.90
RR2 (Above 75% up to 100%)	137.40
RR3 (Above 50% up to 75%)	42.20
RR4 (Above 25% up to 50%)	66.49
RR5 (Up to 25%)	112.79
SRs with unrated (0%)	562.92
TOTAL	**971.70***

* The bank is holding 100% provision.

g. Book Value of Security Receipts (without netting hived off provision)

(₹ in Crore)

Particulars	2022-23	2021-22
(i) Backed by NPAs sold by the bank as underlying	971.70	3210.97*
(ii) Backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	NIL	NIL
Total	**971.70**	**3210.97**

*Includes hived off provision of Rs. 1922.31 Crore

	Particulars	SRs issued within past 5 years	SRs Issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
(i)	Book Value of SRs backed by NPAs sold by the Bank as underlying	45.22	476.45	450.03
	Provision held against (i)	45.22	476.45	450.03
(ii)	Book Value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	0.00	0.00	0.00
	Provision held against (ii)	0.00	0.00	0.00
	Total (i) + (ii)	45.22	476.45	450.03

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SARC & ASSOCIATES FRN 006085N Chartered Accountants

KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

h. Fraud accounts

(₹ in Crore)

Particulars	2022-23	2021-22
Number of frauds reported	429	211
Amount involved in fraud (₹ crore)	493.31	2036.71
Amount of provision made for such frauds (₹ crore)	442.76	1780.77
Amount of Unamortised provision debited from 'other reserves' as at the end of the year.	0	0

*Bank carries the provisions of Rs 442.76 Crore against fraud cases after taking in to consideration recoveries made.

i. MSME DISCLOSURE

In accordance with the RBI Circulars DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020, DOR.No. BP.BC/4/21.04.048/2020-21 dated August 06, 2020 and DOR.STR.REC.12/21.04.048/2021-22 dated May 05, 2021 on 'Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances', the details of MSME restructured accounts under the Scheme are as under:

No. of Accounts Restructured	Outstanding as on 31.03.2023 (Rs. in Crores)
72229	4886.74

j. Disclosure under Resolution Framework for COVID-19-related Stress

A special window under the Prudential Framework was extended vide circular DOR.No.BP.BC/3/21.04.048/2021-22 dated August 6, 2020 and RBI/2022-23/31 DOR.STR.REC.11/21.04.048/2022-23 dated May 5, 2021 to enable the lenders to implement a resolution plan in respect of eligible corporate exposures, and personal loans, while classifying such exposures as Standard. Details of resolution plan implemented under the resolution framework for covid-19 related stress as given below

(In ₹ crore)

Sl No	Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– as on 30.09.2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – as on 31.03.2023
1	Personal Loans	7122	316	0	742	6064
2	Corporate persons*	4086	515	0	968	2603
	Of which MSMEs	*3045*	*475*	*0*	*923*	*1647*
3	Others	4852	285	0	1957	2610
	Total(1+2+3)	16060	1116	0	3667	11277

** As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016*

k. Covid Measures:

The spread of COVID-19 across the globe has resulted in declined economic activity and increased volatility in financial markets. In this situation, though the challenges continue to unfold, the Bank is gearing itself on all fronts to meet the same. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis. The extent to which the COVID-19 pandemic will impact the Bank's results will depend on future developments, which are highly uncertain. Major challenges for the Bank would be from extended working capital cycle and reduced cash flows. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period.

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5. Exposures

a. Exposure to real estate sector

(Amount in ₹ crore)

Category	31.03.2023	31.03.2022
i) Direct exposure		
a) Residential Mortgages –		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	56613.08	42042.63
Out of which individual housing loans eligible for being included under priority sector**	7788.72	19141.34
b) Commercial Real Estate –		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)**	15753.98	8351.70
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	NIL	NIL
ii. Commercial Real Estate	NIL	NIL
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	28188.11	24353.80
Total Exposure to Real Estate Sector	100555.17	74748.13

**Exposure also include non-fund based (NFB) limits;

b. Exposure to capital market

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1929.42	2140.16

ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	11.68	29.17
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	NIL
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	NIL	NIL
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	490.01	317.75
vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
vii)	Bridge loans to companies against expected equity flows / issues;	NIL	NIL
viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	NIL	NIL
ix)	Financing to stockbrokers for margin trading;	NIL	NIL
x)	All exposures to Venture Capital Funds (both registered and unregistered)	249.50	171.03
	Total exposure to capital market	2680.61	2658.11

c. Risk category-wise country exposure

(₹ in Crore)

Risk Rating	Risk category**	Exposure (Net) as at 31.03.2023	Provision held as at 31.03.2023	Exposure (Net) as at 31.03.2022	Provision held as at 31.03.2022
A1	Insignificant	17062.00	6.82	16,236.81	7.51
A2	Low	6176.81	--	7,738.52	--
B1	Moderately Low	96.93	--	19.73	--
B2	Moderate	100.76	--	117.11	--
C1	Moderately High	19.08	--	995.18	--
C2	High	482.94	--	0.63	--
D	Very High	0.00	--	--	--
	Total	**23938.51**	**6.82**	**25,107.98**	**7.51**

** As per the updated country risk classification by the ECGC as of 31.03.2023

COUNTRY RISK MANAGEMENT:

The Bank has analysed its net funded exposure to various countries as on 31.03.2023 and such exposure to countries other than Singapore is well within the stipulation of 1% of the total assets of the Bank.

In respect of Singapore, which is classified under "Insignificant" risk category (A1) by ECGC Ltd, a provision of Rs.6.82 Crores (Previous year Rs.7.51 Crores for 'Insignificant' risk category) is available.

Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL), if any, exceeded by the Bank

Borrower Name	Additional Exposure	Total Highest Exposure	Percentage of additional exposure	Percentage of total exposure
-	-	**NIL**	-	-

d. Letter of comfort issued by the Bank:

During the year ended 31.03.2023 branches in India have not issued any letter of comfort for financing of imports. Outstanding as on 31.03.2023 is NIL. Hence no financial impact on outstanding LOC/LOU

During the year ended 31.03.2023, Letter of Comfort issued by our foreign branches (Singapore and Colombo) is NIL and Outstanding as on 31.03.2023 is NIL

In view of the Letter of Responsibility given by the Bank to the Monetary Authority of Singapore, the Bank continues to maintain deposits from FCNR (B) resources to the extent of USD 43.00 Mio (equivalent to INR 353.33 crore) with Singapore Branch to meet the minimum Net Adjusted Capital funds requirement of the Branch.

We have issued LOU for Sri Lankan branches favouring Central Bank of Sri Lanka (CBSL) as per the mandatory requirement of CBSL. We do not anticipate any financial impact in immediate near future on account of LOU issued.

Bank has issued LOC for our IBU/ FBU in IFSC, SEZ Gift City, Gujarat Favouring International Financial Service Centres Authority (IFSCA) as per the mandatory requirement of IFSCA. Bank does not anticipate any financial impact in immediate near future on Account of LOC issued. This has been issued in the month of February 2022.

e. Unsecured advances

(₹ in Crore)

Particulars	2022-23	2021-22
Total unsecured advances of the bank	36332.65	26610.06
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	NIL	NIL
Estimated value of such intangible securities	NIL	NIL

f. Factoring exposures: NIL

g. Intra-group exposures

Sl.no	Particulars	2022-23	2021-22
1	Total Amount of intra group exposures	904.64	901.85
2	Total Amount of top 20 intra group exposures	904.64	901.85
3	Percentage of intra group exposures to total exposure of the bank on borrowers / customers	0.14%	0.16%
4	Details of breach of limit on intra group exposures and regulatory action thereon, if any	NIL	NIL

h. Unhedged foreign currency exposure

The Bank has in place a policy on managing credit risk arising out of Unhedged Foreign Currency Exposures of its borrowers. Where there is no natural hedge, forward cover is suggested to customers in respect of import/export transactions. The forward cover will act as Unhedged risk mitigation on exchange risk. While sanctioning the facilities, Bank is ensuring that all the exposures (fund based and non-fund based including Letter of comfort/ Letter of undertaking) in foreign currencies are covered by forward cover. Request for considering waiver of forward cover if any is considered only at corporate office level. While reviewing the borrowal accounts, unhedged exposure are captured and impact is analysed in credit proposals.

The Bank has provided a provision of ₹15.10 Crore and Capital of ₹19.47 Crores for the year ended 31st March 2023 on Unhedged Foreign Currency Exposure to their constituents in terms of RBI circular dated January 15, 2014

6. Concentration of deposits, advances, exposures and NPAs

a) Concentration of Deposits

(₹ in Crore)

Particulars	2022-23	2021-22
Total Deposits of twenty largest depositors (domestic only)	42446.97	39721.71
Percentage of Deposits of twenty largest depositors to total Deposits of the Bank	6.83%	6.69 %

b) **Concentration of advances**

(₹ in Crore)

Particulars	2022-23	2021-22
Total advances to the twenty largest borrowers	55946.01	51586.08
Percentage of advances to twenty largest borrowers to total advances of the bank	11.81%	12.41%

c) Concentration of exposures

(₹ in Crore)

Particulars	2022-23	2021-22
Total exposure to the twenty largest borrowers/customers	75085.66	68900.08
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/ customers	11.26%	11.86%

d) Concentration of NPAs

Particulars	2022-23	2021-22
Total Exposures to the Top Twenty Accounts	3558.02	6587.36
Percentage of exposures to the Twenty largest NPA exposures to the total Gross NPAs	12.63%	18.71%

7. Derivatives

a) Forward rate agreement/Interest rate swap

The Bank has not entered into Derivative contracts of the nature of Forward Rate Agreements / Interest Rate Swaps (IRS) to hedge on balance sheet assets during the financial year 2022-2023.

(₹ in Crore)

Particulars	2022-23	2021-22
i) The notional principal of swap agreements	0.00	0.00
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	NIL	NIL
iii) Collateral required by the bank upon entering into swap	NIL	NIL
iv) Concentration of credit risk arising from the swaps	0.00	0.00
v) The fair value of the swap book	0.00	0.00

Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps shall also be disclosed

b) Exchange traded interest rate derivatives

The Bank has not contracted any exchange traded interest derivatives during the current year and in the previous year

Sr. No.	Particulars	2022-23	2021-22
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	800.00	Nil
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2023 (instrument wise)	800.00	Nil
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	Nil	Nil
iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	Nil	Nil

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c) Disclosures on risk exposure in derivatives

i) Qualitative disclosures

Bank's policy permits hedging of asset as well as liability using IRS. The hedging transactions are to be accounted on an accrual basis. Swaps, which hedge interest bearing asset / liability, are accounted for as the asset or liability hedged. Outstanding swap contracts are marked to market.

All swap deals shall be based on the guidelines of International Swaps Dealers' Association. Bank has adequate control systems and also internal approvals prior to concluding transactions. There exists a clear functional segregation between (i) trading (Dealing) (ii) back office (settlement, monitoring and control) and (iii) accounting sections.

In the derivatives segment, the bank's policy permits doing proprietary trading in Overnight Index Swaps (OIS). The activities in this segment are governed by the Derivatives Policy approved by the Bank's Board.

The gain or loss in OIS transactions is booked in the Profit and Loss account on the maturity or unwinding of the deal whichever is earlier. For the purpose of valuation of outstanding OIS deals, the fair value of the total swap is computed on the basis of the amount that would be receivable or payable on termination of the swap as on the balance sheet date. Losses arising there from, if any, are fully provided for while the profits, if any, are ignored.

Exchange traded FX Derivatives i.e. Currency Futures, are valued at the Exchange determined prices and the resultant gains and losses are recognized in the Profit and Loss account.

ii) Quantitative disclosures

The Bank is active in the following products under derivatives:-

- Currency Futures

Outstanding position in Currency futures as on 31.03.2023 is ₹ NIL and previous year was ₹ Nil.

(₹ in Crore)

Sl.No	Particular	31.03.2023		31.03.2022	
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
a)	Derivatives (Notional Principal Amount)				
	i) For hedging	0.00	0.00	0.00	0.00
	ii) For trading	0.00	0.00	0.00	0.00
b)	Marked to Market Positions				
	i) Asset (+)	0.00	0.00	0.00	0.00
	ii) Liability (-)	0.00	0.00	0.00	0.00
c)	Credit Exposure	0.00	0.00	0.00	0.00

d)	Likely impact of one percentage change in interest rate (100*PV01)				
	i) on hedging derivatives	0.00	0.00	0.00	0.00
	ii) on trading derivatives	0.00	0.00	0.00	0.00
e)	Maximum and Minimum of 100*PV01 observed during the year				
	i) on hedging	0.00	0.00	0.00	0.00
	ii) on trading	0.00	0.00	0.00	0.00

d) Credit default swaps: NIL

8. Disclosures relating to securitisation

(Number/ In ₹ Crore)

Sl. No.	Particulars	2022-23	2021-22
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	NIL	NIL
2	Total amount of securitised assets as per books of the SPEs	NIL	NIL
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	NIL	NIL
	a) Off-balance sheet exposures • First loss • Others	NIL	NIL
	b) On-balance sheet exposures • First loss • Others	NIL	NIL
4	Amount of exposures to securitisation transactions other than MRR	NIL	NIL
	a) Off-balance sheet exposures i) Exposure to own securitisations • First loss • Others ii) Exposure to third party securitisations • First loss • Others	NIL	NIL
	b) On-balance sheet exposures i) Exposure to own securitisations • First loss • Others ii) Exposure to third party securitisations • First loss • Others	NIL	NIL
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	NIL	NIL
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	NIL	NIL

7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided. (a) Amount paid (b) Repayment received (c) Outstanding amount	NIL	NIL
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	NIL	NIL
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc.	NIL	NIL
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	NIL	NIL

9. Off balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	**Overseas**
NIL	NIL

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

(₹ in Crore)

Particulars	2022-23	2021-22
Opening balance of amounts transferred to DEAF as on 01.04.2022	2221.49	1973.27
Add : Amounts transferred to DEAF during the year 2022-23	344.72	265.92
Less : Amounts reimbursed by DEAF towards claims during the year 2022-23	55.55	17.70
Closing balance of amounts transferred to DEAF up to 31.03.2023 (1+2-3)	2510.66	2221.49

11. Disclosure of complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

S.N		Particulars	2022-23	2021-22
	Complaints received by the Bank from its Customers			
1		Number of complaints pending at the beginning of the year	1588	11834
2		Number of complaints received during the year	99298	254183
3		Number of complaints disposed during the year	100048	264429
	3.1	of which, number of complaints rejected by the Bank	2131	531
4		Number of complaints pending at the end of the year	838	1588
	Maintainable complaints received by the Bank from Office of Ombudsman			
5		Number of maintainable complaints received by the Bank from Office of Ombudsman	6752	7204
	5.1	of 5, Number of complaints resolved in favour of the Bank by Office of Ombudsman	6598	6254
	5.2	of 5, Number of complaints resolved through conciliation / mediation / advisories issued by Office of Ombudsman	238	460

	5.3	of 5, Number of complaints resolved after passing of Awards by Office of Ombudsman against the Bank	0	3
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0
Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.				

* Previously Offices of Banking Ombudsman

b) Top five grounds of complaints received by the bank from customers

Grounds of which complaints (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase / decrease in the number of complaints received over previous year	Number of complaints pending at the end of the year	Of (5), Number of complaints pending beyond 30 days
(1)	(2)	(3)	(4)	(5)	(6)
2022-23					
ATM Debit card	884	51055	-62.77%	411	0
Internet / Mobile / Electronic Banking	291	11342	-75.86%	71	0
Account opening / difficulty in operation of the Account	21	3623	3.36%	35	0
Loans and Advances	18	2484	-23.75%	23	0
Pension and facilities for Senior Citizens / differently abled	8	1123	-1.14%	2	0
Others	366	29671	-52.10%	296	0
Total	1588	99298	-60.93%	838	0
2021-22					
ATM Debit card	4815	137138	- 2 %	884	0
Internet / Mobile / Electronic Banking	6150	46991	- 62 %	291	0
Loans and Advances	113	3505	+ 118 %	21	0
Account opening / difficulty in operation of the Account	63	3258	- 20 %	18	0
Credit Cards	0	1340	+ 224 %	8	0
Others	693	61951	+ 22 %	366	0
Total	11834	254183	- 21 %	1588	0

12. Disclosure of penalties imposed by the Reserve Bank of India

12.1 Disclosure of penalties imposed by the RBI:

During the year RBI has imposed a penalty of Rs.0.73 Cr (257 instances), of which Rs.0.20 Cr (118 instances) is related to discrepancies in soiled notes remittances, Rs. 0.33 Cr (69 instances) is due to delayed reporting in eKuber and Rs.0.20 Cr (70 instances) is due to irregularities observed in RBI inspection.

12.2 Disclosure of penalties imposed by the GOI / State Govt.:

During the year, Govt has imposed penalty of 0.11 Cr (11 instances) related to delay in remittances to Govt accounts

13. Cash Flow Statement (AS 3):

Standalone Cash Flow statement for the Year ended Mar 31, 2023

((₹ in Crore)

Particulars	Year ended	
	31.03.2023	31.03.2022
Net Profit as per Profit and Loss Account	**5282**	**3945**
Adjustments for :		
Provision for NPA	6516	8447
Provision for Investment	492	454
Provision for Standard Assets	2295	962
Provision for Tax	633	(741)
Other Provisions and Contingencies	140	(6)
Depreciation on Fixed Assets	529	598
Interest on Capital Instrument	734	750
Loss/(profit) on sale of land and buildings	0	(5)
Dividend income from Subsidiaries and Joint Ventures	(7)	(1)
Income taxes paid	0	0
Profit before working Capital Changes	**16613**	**14401**
Increase/Decrease in Operating Assets		
(Increase) / Decrease in Investments	(11922)	1525
(Increase) / Decrease in Advances	(66718)	(34967)
(Increase) / Decrease in Other assets	2700	5056
	(75940)	**(28387)**
Increase/Decrease in Operating Liabilities		
Increase / (Decrease) in Deposits	27548	55547
Increase/ (Decrease) in Borrowings (other than Capital Instruments)	4864	(6925)
Increase/ (Decrease) in Other liabilities	(1028)	(5903)
	31384	**42718**
Net cash generated from operations (A)	**(27943)**	**28732**
Cash flow from investing activities		
Dividend income from Subsidiaries and Joint Ventures	7	1
Purchase of fixed assets	(324)	(318)
Sale of fixed assets	20	18
Net cash generated from Investing Activities (B)	**(297)**	**(299)**
Cash flow from Financing activities		
Payment of dividend	(810)	(249)
Redemption of Tier 2 Bonds	0	(600)
Interest on Capital Instrument	(734)	(782)
Equity Capital Issued during the period (incl. Share premium)	0	1650
Net cash generated from financing activities (C)	**(1543)**	**18**
Net increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)	**(29783)**	**28452**
Cash and Cash equivalents at the beginning of the year		
Cash in hand (including foreign currency notes)	1962	1658
Balances with Reserve Bank of India		
(a) in current accounts	22092	25887

((₹ in Crore)

Particulars	Year ended	
	31.03.2023	31.03.2022
(b) in other deposit accounts	34500	8900
Balances with Banks		
(a) in current accounts	6	95
(b) in other deposit accounts	1386	2046
Money at Call and short notice with Banks	0	0
Balances with Banks outside India		
(a) in current accounts	504	1578
(b) in other deposit accounts	19453	11271
Money at call and short notice	12	29
	79916	**51464**
Cash & Cash equivalents at the end of the period		
Cash in hand (including foreign currency notes)	1242	1962
Balances with Reserve Bank of India		
(a) in current accounts	26670	22092
(b) in other deposit accounts	4780	34500
Balances with Banks		
(a) in current accounts	18	6
(b) in other deposit accounts	1574	1386
Money at Call and short notice with Banks	5007	0
Balances with Banks outside India		
(a) in current accounts	693	504
(b) in other deposit accounts	10145	19453
Money at call and short notice	3	12
	50133	**79916**
Difference in opening and closing cash and cash equivalents	**(29783)**	**28452**

14. Employee Benefits (AS 15)

i. Defined Contribution Plans:

Provident fund is a statutory obligation and in the case of Contributory Provident Fund Optees, the Bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to Profit and Loss Account. The fund is managed by Indian Bank Staff Provident Fund Trust. During the financial year 2022-23, the Bank has contributed ₹ 0.91 crores (previous year ₹ 1.14 crores).

New Pension Scheme (NPS) is applicable to employees who joined bank on or after 01.04.2010 and it is a defined contribution scheme. Under NPS the Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit and Loss Account. During the financial year 2022-23, the Bank has contributed ₹ 288.87 crores (previous year ₹ 255.18 crores)

ii. Defined Benefit Plans:

The summarized position of Post-employment benefits and long term employee benefits recognised in the Profit & Loss Account and Balance Sheet as required in accordance with Accounting Standard–15 (Revised) are as under:

The following table sets out the basis of the Defined Benefit Pension Plan and Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Bank

PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]	31/03/2023	31/03/2022
Discount Rate -G-Sec Rate	7.48% for Pension and Gratuity – 15 year G-Sec Paper	7.27% for Pension and Gratuity – 15 year G-Sec Paper
Salary escalation rate	6.00% (includes 0.50% for wage revision)	6.00% (includes 0.50% for wage revision)
Attrition rate	1.00% for Pension and 2.00% for Service Employees	1.00% for Pension and 2.00% for Service Employees
Expected rate of return on Plan Assets *	7.69% for Pension and 7.83% for Gratuity	7.62% for Pension and 7.67% for Gratuity
Method used	Projected Unit Credit (PUC) actuarial Method	Projected Unit Credit (PUC) actuarial Method
Mortality	Indian Assured Lives Mortality (2012-14) ultimate	

* Expected Rate of return on Plan Assets not applicable for Leave encashment.

The estimates of future salary increases are considered taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market and in tandem with Funding Guidelines for Superannuation Schemes communicated by IBA. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible.

The liabilities of leave encashment are unfunded.

(₹ in Crore)

II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES:	Pension Fund		Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
PVO as at the beginning of the year	16546.73	15319.48	1783.68	1848.22	1004.75	977.42
Interest Cost	1139.92	1047.85	120.55	110.19	63.08	59.12
Current service cost	270.86	250.19	80.38	69.21	208.02	175.72
Past service cost – recognised / vested benefits	0.00	0.00	0.00	0.00	0.00	0.00
Past service cost – unrecognised / non-vested benefits	0.00	0.00	0.00	0.00	0.00	0.00
Benefits paid	-1733.82	-1812.10	-250.89	-274.20	-274.21	-284.86
Actuarial loss/ (gain) on obligation	1689.97	1741.31	63.18	30.26	187.82	77.35
PVO as at the end of the year	**17913.66**	**16546.73**	**1796.90**	**1783.68**	**1189.46**	**1004.75**

(₹ in Crore)

III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:	Pension Fund		Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Fair value of plan assets as at the beginning of the year	15893.63	14961.61	1802.75	1897.26	0.00	0.00
Expected return on plan assets	1227.56	1132.00	134.35	136.42	0.00	0.00
Contributions	1872.61	1599.55	77.19	36.86	274.21	284.86
Benefits paid	-1733.82	-1812.10	-250.89	-274.20	-274.21	-284.86
Actuarial gain/(loss) on plan assets	13.28	12.57	0.89	6.41	0.00	0.00
Fair value of plan assets as at the end of the year	**17273.26**	**15893.63**	**1764.29**	**1802.75**	**0.00**	**0.00**

(₹ in Crore)

IV. ACTUAL RETURN ON PLAN ASSETS	Pension Fund		Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Expected return on plan assets	1227.56	1132.00	134.35	136.42	0.00	0.00
Actuarial gain / (loss) on plan assets	13.28	12.57	0.89	6.41	0.00	0.00
Actual return on plan assets	**1240.84**	**1144.57**	**135.24**	**142.83**	**0.00**	**0.00**

इंडियन बैंक / INDIAN BANK कॉर्पोरेट कार्यालय Corporate Office चेन्नै Chennai-600 014 लेखा / Accounts Dept.

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No. 003990S/S200018 CHENNAI

G. NATESAN & CO CHENNAI 600 017 CHARTERED ACCOUNTANTS

SARC & ASSOCIATES FRN 006085N Chartered Accountants

KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

(₹ in Crore)

V. ACTUARIAL GAIN / LOSS RECOGNISED	Pension Fund		Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Actuarial gain / (loss) for the year - Obligation	-1689.97	-1741.31	-63.18	-30.26	-187.82	-77.35
Actuarial gain / (loss) for the year – due to financial assumption changes in DBO	0.00	0.00	0.00	0.00	0.00	0.00
Actuarial gain / (loss) for the year- Plan Assets	13.28	12.57	0.89	6.41	0.00	0.00
Total gain / (loss) for the year	-1676.69	-1728.74	-62.29	-23.85	-187.82	-77.35
Actuarial gain / (loss) recognised in the year	-1676.69	-1728.74	-62.29	-23.85	-187.82	-77.35
Unrecognised actuarial gain / (loss) at the end of the year	0.00	0.00	0.00	0.00	0.00	0.00
Actuarial gain / (loss) for the year - Obligation	-1676.69	**-1728.74**	**-62.29**	**-23.85**	**-187.82**	**-77.35**

(₹ in Crore)

VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSIS	Pension Fund		Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Present value of the obligation	17913.66	16546.73	1796.90	1783.68	1189.46	1004.75
Fair value of plan assets	17273.26	15893.63	1764.29	1802.75	0.00	0.00
Difference - Net (Liability) / Asset recognized in Balance Sheet	-640.40	-653.10*	-32.61	19.07	1189.46	1004.75
Unrecognised transitional liability	0.00	0.00	0.00	0.00	0.00	0.00
Unrecognised past service cost	0.00	0.00	0.00	0.00	0.00	0.00
Liability recognised in the balance sheet	**-640.40**	**-653.10***	**-32.61**	**19.07**	**1189.46**	**1004.75**

**Provision on account of change in family pension rules is included*

(₹ in Crore)

VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:	Pension Fund		Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Current service cost	270.86	250.19	80.38	69.21	208.02	175.72
Interest Cost	1139.92	1047.85	120.55	110.19	63.08	59.12
Expected return on plan assets	-1227.56	-1132.00	-134.35	-136.42	0.00	0.00
Net actuarial (gain)/loss recognised in the year	1676.69	1728.74	62.29	23.85	187.82	77.35
Transitional Liability recognised in the year	0.00	0.00	0.00	0.00	0.00	0.00
Past service cost - recognised	0.00	0.00	0.00	0.00	0.00	0.00
Expenses recognised in the statement of profit and loss	**1859.91**	**1894.78**	**128.87**	**66.83**	**458.92**	**312.19**

(₹ in Crore)

VIII. MOVEMENTS IN THE LIABILITY RECOGNISED IN THE BALANCE SHEET	Pension Fund		Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Opening net liability	-653.10	-357.87	19.07	49.04	-1004.75	-977.42
Expense as above	-1859.91	-1894.78	-128.87	-66.83	-458.92	-312.19
Contribution paid	1872.61	1599.55	77.19	36.86	274.21	284.86
Closing net liability	**-640.40**	**-653.10**	**-32.61**	**19.07**	**-1189.46**	**-1004.75**

(₹ in Crore)

IX. EXPERIENCE ADJUSTMENTS ON PLAN ASSETS/LIABILITIES (ii) Previous Years 2018-23 - Pension	Year ended					
	31.03.2018	31.03.2019	31.03.2020	31.03.2021	31.03.2022	31.03.2023
Present Value of obligation	6245.89	6520.32	6801.96	15319.48	16546.73	17913.66
Plan Assets	6146.80	6418.93	6697.41	14961.61	15893.63	17273.26
Surplus/ (Deficit)	-99.09	-101.39	-104.55	-357.87	-653.10	-640.40
Experience adjustments on plan liabilities-(loss) / gain	-704.39	-335.65	-449.25	-1542.88	-1741.31	-1689.97
Experience adjustments on plan assets-(loss) / gain	10.93	8.58	13.32	193.89	12.57	13.28

(₹ in Crore)

IX. EXPERIENCE ADJUSTMENTS ON PLAN ASSETS/LIABILITIES (iii) Previous Years 2018-23 - Gratuity	Year ended					
	31.03.2018	31.03.2019	31.03.2020	31.03.2021	31.03.2022	31.03.2023
Present Value of obligation	964.99	923.85	928.98	1848.22	1783.68	1796.90
Plan Assets	932.55	910.66	896.40	1897.26	1802.75	1764.29
Surplus/ (Deficit)	-32.44	-13.19	-32.58	49.04	19.07	-32.61
Experience adjustments on plan liabilities- (loss) / gain	-36.20	-2.11	-61.22	23.06	-30.26	-63.18
Experience adjustments on plan assets- (loss) / gain	22.12	-0.38	2.71	14.15	6.41	0.89

(₹ in Crore)

IX. EXPERIENCE ADJUSTMENTS ON PLAN ASSETS/LIABILITIES (iii) Previous Years 2018-23 - Leave Encashment	Year ended					
	31.03.2018	31.03.2019	31.03.2020	31.03.2021	31.03.2022	31.03.2023
Present Value of obligation	179.51	188.21	210.29	977.42	1004.75	1189.46
Plan Assets	0.00	0.00	0.00	0.00	0.00	0.00
Surplus/ (Deficit)	-179.51	-188.21	-210.29	-977.42	-1004.75	-1189.46
Experience adjustments on plan liabilities- (loss) / gain	10.18	7.58	17.71	7.62	-77.35	-187.82
Experience adjustments on plan assets- (loss) / gain	0.00	0.00	0.00	0.00	0.00	0.00

X. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)	2022-23		2021-22	
	Pension Fund	Gratuity Fund	Pension Fund	Gratuity Fund
Government of India Securities and State Government Securities	29.29%	23.35%	32.38%	23.42%
High Quality Corporate Bonds /PSU BONDS	15.64%	12.88%	13.42%	12.21%
Special Deposit Scheme	0.06%	0.04%	0.06%	0.04%
Funds managed by Insurer	54.48%	63.53%	53.98%	64.11%
Equity and Mutual Funds	0.53%	0.20%	0.16%	0.22%
Money Market	-	-	-	-
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

iii. Other Long Term Employee Benefits

Amount of ₹73.65 crore (previous year ₹48.43 crore) has been provided towards Long Term Employee Benefits as per the actuarial valuation by the independent Actuary appointed by the Bank and is included under the head "Payments to and Provisions for Employees" in Profit and Loss Account. Details of additional Provisions made / (written back) for various long Term Employee Benefits during the year : (₹ in Crore)

No.	Long Term Employee Benefits	31/03/2023	31/03/2022
1.	Sick Leave	2.54	1.84
2.	Casual Leave	-0.03	0.09
3.	Leave Travel Concession	71.14	46.50
Total		**73.65**	**48.43**

Note: Disclosures included are limited to the extent of information provided by the Actuary.

15. Property, Plant and Equipment (AS-10)

15.1 The premises of the Bank include land and building are stated at revalued amount. In Financial Year 2021-22, bank has revalued immovable properties based on the reports obtained from the external independent valuer. The closing balance of revaluation reserve as on 31.03.2023 (Net of amount transferred to revenue reserve) is Rs 6106.90 crore (Previous year Rs 6211.02 crore).

As per AS-10 in the case of assets, which have been revalued, the depreciation is provided on the revalued amount and the incremental depreciation attributable to the revalued amount is adjusted to the 'Revaluation Reserve.

For the year 2022-23, depreciation amounting to Rs.110.87 crores (Previous Year Rs.147.27 crore) was charged under expenditure and depreciation on revalued portion amounting to Rs. 104.12 Crore (previous year Rs. 143.42 crore) is transferred to Revenue Reserve from Revaluation Reserve.

15.2 Premises include 9 (7+2*) properties original costing Rs. 8.38 crores having revalued book value of Rs. 65.98 crores (Previous year Rs. 66.74 Crore), net of depreciation of Rs.0.76 Crore (Previous year Rs.1.46 crore) for which registration formalities are pending

*Property at Hyderabad costing Rs.1.61 Crore, where clearance is pending before ULC authority and at Chennai costing Rs.2.32 Crore, where interim stay has been granted by DRAT.

16. Lease (AS 19)

A) The properties taken on lease / rental basis are renewable / cancellable at the option of the Bank.

B) The leases entered into by the Bank are for agreed period with an option to terminate the leases even during the currency of lease period by giving agreed calendar month notice in writing.

C) Lease rent paid for operating leases are recognized as an expense in the Profit & Loss account in the year to which it relates. The lease rent recognized during the year is Rs.399.08 Crore. (Previous year Rs. 417.00 Cr).

D) Finance lease
An asset acquired on finance lease comprises plant and equipment and land. The leases have a primary period, which is fixed and non-cancellable. The bank has an option to renew the lease for a secondary period.

The minimum lease rentals and the present value of minimum lease payments in respect of assets acquired under finance leases are as follows:

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Payable not later than 1 year	0	0	0	0
Payable later than 1 year and not later than 5 years	0	0	0	0
Payable later than 5 years	0	0	0	0
Total	0	0	0	0
Less: Future finance charges				
Present value of minimum lease payments	0	0	0	0

17. Indian Bank Trust for Rural Development

IBTRD has been set up by the Bank in 22.09.2008 to pay focused attention on Rural Development initiatives.As per GoI notification, erstwhile Allahabad Bank has been amalgamated with Indian Bank w.e.f. 01.04.2020, and the process of amalgamation of IBTRD and Allahabad Bank Rural Development Trust (ABRDT) is under progress and all the assets and liabilities of ABRDT will be transferred to IBTRD. The focus area of the Trust has been self-employment training and imparting Financial Literacy at both district and block level.

As per the direction of Ministry of Rural Development (MoRD), GoI, our Bank has established Rural Self-Employment Training Institutes (RSETIs) in the name of Indian Bank Self-Employment Training Institutes (INDSETIs) through the Trust to impart self-employment training to rural youth.

The present number of INDSETIs, Financial Literacy Centres (FLCs) and Centres of Financial Literacy (CFLs) sponsored by the Trust pan-India are as under:.

Particulars	In Lead districts	In Non-lead districts	Total
INDSETIs	30	5	35
FLCs	36	6	42
CFLs	76	15	91

The books of account of the Trust are being subjected to audit, independently by the Chartered Accountants appointed by the Board of Trustees of IBTRD

PROVISIONAL INCOME AND EXPENDITURE A/c OF IBTRD FOR THE YEAR ENDED 31.03.2023 *

(₹ in Crore)

Expenditure		Income	
Operating Expenses for INDSETIs	14.94	Reimbursement of Expenses by Bank towards CSR	12.00
Expenses for FLCs	0.73	Training Cost Reimbursement by various agencies	5.51
Expenses for CFLs	0.60	Credit back of FLC balances due to account closure	0.01
AMC	0.02		
Auditor Fees / Miscellaneous Payments	0.06		
Excess of Income over Expenditure	1.17		
TOTAL	**17.52**		**17.52**

PROVISIONAL RECEIPT AND PAYMENT A/c OF IBTRD FOR THE YEAR ENDED 31.03.2023 *

Receipt		Payment	
Opening Balance	0.71	Capital Expenses for INDSETIs	1.36
CSR Contribution from Bank	12.00	Reimbursements to INDSETIs, FLCs & CFLs	16.27
Direct Income	5.51	AMC	0.02
Interest Received	0.08	Auditor Fees / Miscellaneous Payments	0.06
		Closing Balance	0.59
TOTAL	**18.30**		**18.30**

*** Figures are subject to change on final audit of Trust**

Note: As on 31.03.2023, the Allahabad Bank Rural Development Trust (ABRDT) account holds a credit balance of Rs.2.45 Crore.

18. Legal

Contingent liabilities include an A/c M/s Nimbus Communication Ltd., Guarantees were issued by Consortium Banks favouring BCCI aggregating to Rs.1602.44 Crore. BCCI filed suit against Consortium Banks claiming guarantee liability wherein claimed aggregating to Rs.406.47 Cr was made against the Bank. In the suit, conditional leave to defend was granted on making payment of Rs.400 crores, wherein our Bank's share is Rs.100 crores. Remittance of our Bank's share of Rs.100 crores was made with the Prothonotary and Senior Master of the Hon'ble High Court of Bombay. The summary suit is pending adjudication before Hon'ble High Court of Bombay.

For this claim against the Bank by BCCI, Bank is having a sum of Rs.15.94 Crore as provision under the head 'Provision for Other Contingencies' after taking into consideration a sum of Rs.84.06 Crore held as security-margin money as on 31.03.2023 and a sum of Rs.15.32 Crores as provision under the head 'Contingent Fund–Claim made against the bank'. Total provision aggregating to Rs. 31.26 Crore.

19. Accounting standard-17 "Segment Reporting"

1. Segment Identification

I. Primary (Business Segment)

The following are the primary segments of the Bank:

- Treasury
- Corporate / Wholesale Banking
- Retail Banking *
- Other Banking Business.

** Further, the Retail Banking segment has been sub-divided into Digital Banking and Other Retail Banking Segment in terms of RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 7, 2022.*

The present accounting and information system of the Bank does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the primary segments have been computed as under:

i. Treasury -

The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.

ii. Corporate / Wholesale Banking –

The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices.

iii. Retail Banking –

(i) Digital Banking – In compliance with the RBI Circular dated April 7, 2022, the bank has commenced operations at three DBUs during the year ended March 31, 2023. The segment information pertains to the said DBUs' operations.

(ii) Other Retail Banking – This Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs.

iv. Other Banking business —

Segments not classified under (i) to (iii) above are classified under this primary segment.

II. Secondary (Geographical Segment)

i. **Domestic Operations** - Branches/Offices having operations in India

ii. **Foreign Operations** - Branches/Offices having operations outside India and off-shore Banking units having operations in India.

III. Allocation of Expenses, Assets and Liabilities

Expenses incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of segment assets in each segment/ratio of directly attributable expenses. The Bank has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated

Part A Business Segment	Treasury		Corporate / Wholesale Banking		Retail Banking		*Digital Banking*		*Other Retail Banking*		Other Banking operations		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	*2022-23*	*2021-22*	*2022-23*	*2021-22*	2022-23	2021-22	2022-23	2021-22
Revenue	13 781.49	13 767.26	18 223.54	16 082.40	19 474.98	15 415.12	0.00	NA	19 474.98	15 415.12	605.26	506.89	52 085.27	45 771.67
Result	5 673.24	6 355.67	4 468.80	3 079.29	4 702.20	2 938.78	(0.25)		4 702.45	2 938.78	426.38	343.16	15 270.62	12 716.90
Unallocated expenses													9 356.21	9 512.67
Operating profit													5 914.41	3 204.23
Other unallocable income													0.00	0.00
Income Taxes													632.71	(740.59)
Exceptional item													0.00	0.00
Net Profit													5 281.70	3 944.82
Other information													0.00	0.00
Segment Assets	2 18 813.92	2 40 001.83	2 32 908.23	2 15 377.81	2 49 089.62	2 06 008.16	0.93	NA	2 49 088.69	2 06 008.16	0.00	0.00	7 00 811.77	6 18 347.78
Unallocated assets													9 688.96	10 280.25
Total assets													7 10 500.73	6 71 668.05
Segment Liabilities	2 04 039.68	2 24 383.64	2 17 182.35	2 01 362.03	2 32 271.18	1 92 602.11	1.18	NA	2 32 270.00	1 92 602.11	0.00	0.00	6 53 493.21	6 18 347.78
Unallocated liabilities													9 034.77	9 611.47
Capital reserves & Surplus													47 972.75	43 708.80
Total liabilities													7 10 500.73	6 71 668.05

Part B Geographic Segments	Domestic		International		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue	51 043.58	45 463.98	1 041.69	307.69	52 085.27	45 771.67
Assets	6 78 879.76	6 49 993.31	31 620.97	21 674.74	7 10 500.73	6 71 668.05

Segment Revenue and expenses have been apportioned on the basis of segment assets, wherever direct allocation is not possible.
Previous year figures were re-grouped wherever necessary

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No. 003990S/S200018 CHENNAI

G. NATESAN & CO. CHENNAI 600 018 CHARTERED ACCOUNTANTS

SARC & ASSOCIATES FRN 006085N Chartered Accountants

KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

20. Related Party Disclosures (AS 18):-

Name of the Related Parties and their relationship with the Bank

1. SUBSIDIARIES:

Sl No.	Name of the Subsidiary	Country of Incorporation	Date of Incorporation	Proportion of Ownership	Name of Statutory Auditor	Date of appointment of statutory auditor
a	Indbank Merchant Banking Services Ltd	India	11/08/1989	64.84%	Brahmayya & Co, Chartered Accountants	26/08/2022
b	Ind Bank Housing Ltd.	India	28/01/1991	51.00%	M/s. N C Rajagopal & Co	30/08/2022

2. ASSOCIATES:

Sl. No.	Name of the Associates	Shareholding Pattern
a	Tamilnadu Grama Bank	35%
b	Saptagiri Grameena Bank	35%
c	Puduvai Bharathiar Grama Bank	35%

3. Accounting for Investment in Joint Ventures (AS 27)

(Rs in Crore)

Name of Entity	Country / Residence	Relationship	Ownership interest	Amount of shareholding
Universal Sompo General Insurance Company Ltd.	India	Joint Venture	28.52 %	105.00
Asrec (India) Ltd.	India	Joint Venture	38.26%	37.50

4. Key Managerial Personnel:

Name	Designation	Date of Appointment.	Date of cessation
Shri Shanti Lal Jain	Managing Director & Chief Executive Officer	01.09.2021	
Shri Imran Amin Siddiqui	Executive Director	10.03.2021	
Shri Ashwani Kumar	Executive Director	21.10.2021	
Shri Mahesh Kumar Bajaj	Executive Director	21.11.2022	

5. Shareholding of Non-Executive Directors:

Sl.	Name	Designation	No. of Shares held
1	Dr. Bharath Krishna Sankar	Shareholder Director	300
2	Ms. Papia Sengupta	Shareholder Director	200

Related Party Transaction are as under:

Remuneration paid to key Management personnel during the Year ₹135.84 lakhs (Previous-Year ₹172.37 lakhs)

इंडियन बैंक / INDIAN BANK कॉर्पोरेट कार्यालय Corporate Office चेन्नै Chennai-600 001 लेखा विभाग / Accounts

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No. 003990S/S200018 CHENNAI

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S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

Details	2022-23	2021-22
Ms. Padmaja Chunduru, MD & CEO Salary & Emoluments Paid (01.04.2021 to 31.08.2021)	--	₹ 40.30 lakhs
Shri Shanti Lal Jain MD& CEO Salary & Emoluments Paid (01.04.2022 to 31.03.2023)	₹ 40.74 lakhs	₹ 20.27 lakhs
Shri Shenoy Vishwanath V., Executive Director Salary & Emoluments Paid (01.04.2021 to 31.03.2022)	--	₹ 32.76 lakhs
Shri K. Ramachandran, Executive Director Salary & Emoluments Paid (01.04.2021 to 30.06.2021)	--	₹ 30.19 lakhs
Shri Imran Amin Siddiqui, Executive Director Salary & Emoluments Paid (01.04.2022 to 31.03.2023)	₹ 36.53 lakhs	₹ 30.00 lakhs
Shri Ashwani Kumar, Executive Director Salary & Emoluments Paid (01.04.2022 to 31.03.2023)	₹ 47.23 lakhs*	₹ 18.85 lakhs
Shri Mahesh Kumar Bajaj, Executive Director Salary & Emoluments Paid (21.11.2022 to 31.03.2023)	₹ 11.34 lakhs	--

*Including House Rent Allowance of Rs. 12.32 lakh.

Other disclosures pertaining to related parties are as under:

(₹ in Crore)

Items/Related Party	Parent (as per ownership or control)	Joint ventures	Total
Rendering of services	15.28	2.17	15.28
Receiving of services	2.17	15.28	2.17

No disclosure is required in respect of related parties, which are "State-controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

21. Earnings Per Share (AS 20)

Particulars	2022-23	2021-22
Net Profit after tax available for equity shareholders (₹ Crore)	5281.70	3944.82
Number of Equity Shares	1245441139	1245441139
Weighted Number of equity shares	1245441139	1218410075
Basic Earnings Per Share	42.41	32.38
Diluted earnings per share	42.41	32.38
Nominal value per Equity Share	10.00	10.00

22. Accounting for taxes on income (AS 22):

a. Current Tax: Provision for income tax for domestic operations made during the current year amounts to Rs. 1178.64 Crore including provision for tax on foreign branches relating to earlier years made in the current year amounts to Rs. 8.34 Crore. Provision for income tax made in foreign branches during the current year amounts to Rs. 15.74 Crore. The current tax has been calculated in accordance with the provisions of Income Tax Act 1961.

b. Deferred Tax: The Bank has a net DTA of Rs. 4434.56 Crore (Previous year net DTA of Rs. 3872.91 Crore), included under under 'Other Assets'. The major components of DTA and DTL is given below:

((₹ in Crore)

Sl No.	Particulars	31.03.2023	31.03.2022
	Deferred Tax Assets		
1	Liabilities provision allowable on payment/ crystallization	275.43	219.35
2	FCTR (Foreign Currency Translation Reserve)	122.57	99.08
3	Provision for Gratuity	0.04	0.06

Sl. No.	Particulars	31.03.2023	31.03.2022
4	Provision for Bad Debts	3864.41	3856.25
5	Provision for restructured Assets, AQR,S4A, stressed Assets	1094.72	588.06
6	Depreciation on Fixed Assets	102.79	87.26
	Total DTA	**5459.96**	**4850.06**
	Deferred Tax Liabilities		
1	Depreciation on Fixed Assets	44.40	44.40
2	Provision for written off accounts	363.15	363.15
3	Staff Welfare Retrieval	4.11	4.11
4	Special Reserve u/s 36(1)(viii)	613.74	565.49
	Total DTL	**1025.40**	**977.15**
	Net DTA/(DTL)	**4434.56**	**3872.91**

c. Provision for Income Tax for the year:

((₹ in Crore)

Particulars	2022-23	2021-22
Provision for Taxation (Income tax including Deferred Tax)	632.71	-740.59

The disputed income tax demand paid as at 31.03.2023 was Rs. 3953.36 Crore (previous year 3953.36 Crore). The same has also been included under contingent liabilities relating to Income Tax of Rs. 8846.59 Crore (previous year Rs. 9187.03 Crores) relating to disputed tax matters as at 31.03.2023. No provision is considered necessary for the said disputed demands on account of judicial pronouncements and favorable decisions in Bank's own case except in case of income relating to foreign branches for the earlier periods amounting to Rs. 8.34 Crores for which Bank has provided during the current year.

23. Financial Reporting of Interest in Joint ventures (AS-27):

Investments include Rs.142.50 crore representing Bank's interest in the following joint controlled entities:

Name of Entity	Country / Residence	Relationship	Ownership interest	Amount of shareholding (Rs in Crore)
Universal Sompo General Insurance Company Ltd.	India	Joint Venture	28.52 %	105.00
Asrec (India) Ltd.	India		38.26%	37.50

As required by AS 27, the aggregate amount of the assets, liabilities, income, expenses, contingent liabilities and commitments related to the Bank's interests in jointly controlled entities are disclosed as under:

(₹ in Crore)

Particular	31.03.2023	31.03.2022
Liabilities		
Capital & Reserves	437.90	391.69
Deposits	0.00	0.00
Borrowings	19.38	8.54
Other Liabilities & Provisions	1271.32	1174.50
TOTAL	1728.60	1574.73
Assets		

Sl. No.	Particulars	31.03.2023	31.03.2022
4	Provision for Bad Debts	3864.41	3856.25
5	Provision for restructured Assets, AQR,S4A, stressed Assets	1094.72	588.06
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(₹ in Crore)

Particular	31.03.2023	31.03.2022
Liabilities		
Capital & Reserves	437.90	391.69
Deposits	0.00	0.00
Borrowings	19.38	8.54
Other Liabilities & Provisions	1271.32	1174.50
TOTAL	1728.60	1574.73
Assets		

Particular	31.03.2023	31.03.2022
Cash and Balances with RBI	0.10	0.05
Balances with Banks and money at call and short notice	54.81	30.40
Investments	1337.92	1146.12
Advances	0.00	0.00
Fixed Assets	18.07	11.37
Other Assets	317.70	386.79
TOTAL	**1728.60**	**1574.73**
Capital Commitments		
Other Contingent Liabilities	46.76	48.05
Income		
Interest earned	5.99	6.04
Other Income	695.48	478.41
TOTAL	701.47	484.45
Expenditure		
Interest expended	1.81	2.36
Operating expenses	620.43	420.65
Provisions & Contingencies	25.46	17.63
TOTAL	645.90	440.64
Profit	53.77	43.81

24. Impairment of Assets (AS-28):

In the opinion of the Bank's Management, there is no indication of impairment to the Assets during the year to which Accounting Standard 28–"Impairment of Assets" applies.

25. Provisions, Contingent Liabilities and Contingent Assets (AS-29):

(Amount in ₹ crore)

Particulars	Opening as on 01.04.2022	Provision made during the year	Provision reversed / adjusted	Closing as on 31.03.2023
Movement of Provisions for claim against bank not acknowledged as debt	215.91	4.22	2.45	217.68

26. Other Disclosures

5.1. Business ratios

Particular	Current Year	Previous Year
i) Interest Income as a percentage to Working Funds[1]	6.52	6.21
ii) Non-interest income as a percentage to Working Funds[2]	1.04	1.11
iii) Cost of Deposits	4.09	3.97
iv) Net Interest Margin	3.37	2.93
v) Operating Profit as a percentage to Working Funds	2.22	2.03
vi) Return on Assets[3]	0.77	0.63
vii) Business (deposits plus advances) per employee[4] (in ₹ crore)	26.61	25.20
viii) Profit per employee (in ₹ crore)	0.13	0.10

[1]Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to

Reserve Bank of India in Form X for Commercial Banks and Form IX for UCBs., during the 12 months of the financial year.

[2]Net Interest Income/ Average Earning Assets. Net Interest Income= Interest Income – Interest Expense

[3]Return on Assets would be with reference to average working funds (i.e., total of assets excluding accumulated losses, if any).

[4]For the purpose of computation of business per employee (deposits plus advances), inter-bank deposits shall be excluded

b) Bancassurance Business

During the current year, the Bank has earned commission, etc, to the extent of Rs.136.35 Crore on sale/marketing of various Bancassurance products / Mutual Funds (previous year Rs.85.01 Crore).

(₹ in Crore)

Sl No.	Nature of Income	2022-23	2021-22
1	For Selling Life Insurance Policies	100.37	56.22
2	For selling Non-life insurance policies	29.42	26.42
3	Others – For selling Mutual Fund Products	6.56	2.37
	Total	**136.35**	**85.01**

c) Marketing and distribution

The Bank does not undertake marketing and/or distribution of any product of other entities (other than products under Bancassurance Business). Therefore, the Bank has not earned any fees/remuneration from the stated activities.

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

The amount of PSLCs (category-wise) sold and purchased during the year shall be disclosed.

(₹ in Crore)

Sl.No	PSLC Category	Purchase position		Sale position	
		No of Units	Amt	No of Units	Amt
1	PSLC AGRICULTURE	0	0.00	28404	7101.00
2	PSLC SMALL AND MARGINAL FARMER	0	0.00	111612	27903.00
3	PSLC GENERAL	0	0.00	14684	3671.00
4	PSLC MICRO	0	0.00	0	0.00
	Total	**0**	**0**	**154700**	**38675.00**

e) Provisions and contingencies (Amount in ₹ crore)

Provision debited to Profit and Loss Account	2022-23	2021-22
i) Provisions for NPI	405.16	110.51
ii) Provision towards NPA	6516.22	8446.60
iii) Provision made towards Income tax	632.71	-740.59
iv) Other Provisions and Contingencies (with details) 5.1.1.1.1.1.1. Standard Advances 5.1.1.1.1.1.2. Restructured Advances	2294.78 90.75 49.30	961.57 3.78 -9.79
TOTAL	**9988.92**	**8772.08**

f) Pending settlement of the Bipartite agreement on wage revision (due from November 01, 2022), an ad hoc amount of Rs. 251.80 Crores has been provided during the year ended March 31, 2023 towards wage revision.

g) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

I. As per the directions of RBI vide their letter DBR.BP.BC.No.76/21.07.001/2015-16 dated 11.02.2016, Banks shall comply with Ind AS for standalone and consolidated financial statements for accounting periods beginning from April 1, 2018 onwards with comparative figures for the preceding period ending March 31, 2018

II. RBI also advised the Banks to prepare Proforma Financial Statements as per Ind AS for the half year ended 30.09.2016 with transition date as 01.04.2016 and the same was prepared and submitted to RBI. Similarly proforma Ind AS financials for the quarter ended 30.06.2017 was also submitted to RBI.

III. Subsequently, RBI advised that Banks shall submit Ind AS proforma financial statement for every quarter starting from quarter ending 30th June 2018 onwards. The same has been duly complied with.

IV. From F.Y. 2021-22 onwards, RBI advised to reduce the frequency of Ind AS proforma financial statement submission from quarterly to half yearly. The same has been complied with. The Audit Committee of the Board and Board of Directors have been periodically apprised the progress in this regard.

V. As per RBI notification DBR.BP.BC.No.29/21.07.001/2018-19 dated 22nd March 2019, implementation of Ind AS in Banks has been deferred till further notice. However, submission of proforma Ind AS financials to RBI has been continued and the Bank is complying with the same.

h) Payment of DICGC Insurance Premium

(₹ in Crore)

Sr. No.	Particulars	2022-23	2021-22
i)	Payment of DICGC Insurance Premium	732.47	683.68
ii)	Arrears in payment of DICGC premium	0.00	0.00

i) Items includes in Miscellaneous income which exceeds 1% of total income

Particulars	FY 2022-23	FY 2021-22
Processing Charges	693.04	574.42
Recovery from bad debts	2177.18	1611.69
PSLC Income	@@	570.63

@@PSLC Income exceeded 1% of total income during FY 2021-22 .

Note:

i) None of the item under the subhead "Other expenditure" under the head "Schedule 16-Operating Expenses" exceeds one per cent of total income.

ii) None of the item under the Schedule 5(IV)-Other Liabilities and Provisions-"Others (including provisions)" or Schedule 11(VI)-Other Assets-"Others" exceeds one per cent of the total assets.

j) Reconciliation and Adjustments

I. Reconciliation of Inter Branch Account is completed up to 31.03.2023. except few old entries. The Bank through various effective steps has achieved reduction in the outstanding.

II. In view of the net credit position in respect of un-reconciled entries in the Inter Branch Account outstanding for more than 6 months as on 31.03.2023, no provision is required. However, the bank is maintaining 100% provisions on the gross debit balance in inter branch account amounting to Rs. 228.01 Crore including fresh provision of Rs. 5.35 Crore made during the year 2022-23)

III. Old outstanding entries, in drafts payable, clearing adjustment, sundries receivable, sundry deposit accounts, etc. and in bank reconciliation relating to Reserve Bank of India and other banks are being regularly reviewed for appropriate adjustments.

IV. Balancing of subsidiary/ ledgers, registers and reconciliation with general ledgers are in progress at some branches. In the opinion of the management, consequential financial impact of the above on the accounts will not be significant.

V. Dividend of Rs. 8.60 per equity share i.e. 86% to the paid up capital is proposed by the Bank for FY 2022-23.

इंडियन बैंक Indian Bank

As per information available with the Bank, there is no outstanding dues payable by the Bank to MSME units identified by the Bank, which is pending beyond the time limit prescribed under MSMED Act, 2006 and there have been no reported cases of accepted liability of delayed payments of principal amount or interest thereon for such parties during the year

Previous year's figures have been regrouped / reclassified, wherever necessary, to conform to current year's figures.

S L Jain
Managing Director & CEO

Ashutosh Choudhury
Executive Director

Mahesh Kumar Bajaj
Executive Director

Ashwani Kumar
Executive Director

Imran Amin Siddiqui
Executive Director

DIRECTORS

Maruthi Prasad Tangirala
Government Nominee Director

Aditya Gaiha
RBI Nominee Director

Bharath Krishna Sankar
Shareholder Director

Papia Sengupta
Shareholder Director

Balmukund Sahay
Part Time Non Official Director

Vishvesh Kumar Goel
Part Time Non Official Director

General Manager-CFO

Place: Chennai
Date:08.05.2023

इंडियन बैंक / INDIAN BANK
कॉर्पोरेट कार्यालय Corporate Office चेन्नै Chennai-600 014.
लेखा विभाग / Accounts Department

STATUTORY CENTRAL AUDITORS

For M/s. P K F Sridhar & Santhanam LLP
Chartered Accountants
FR No. 003990S/S200018

P DEVI
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(M. No.223137)
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For S A R C & ASSOCIATES
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For M/s. Kailash Chand Jain & Co
Chartered Accountants
FR No. 112318W

SANDEEP K JAIN
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For M/s. S Singhal & Co
Chartered Accountants
FR No. 001526C

MUKESH KUMAR KHANDELWAL
Partner
(M. No. 074661)
UDIN:
23074661BGXKJD3312

Independent Auditors' Report on Standalone Financial Results for quarter and year ended 31st March, 2023 of Indian Bank pursuant to the Regulation 33 and 52read with 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors
Indian Bank
Chennai

Opinion

1. We have audited the accompanying Statement of Audited Standalone Financial Results of Indian bank ("the Bank") for the quarter and year ended 31st March, 2023 ("the Statement"), attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 and 52read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"), except for the disclosures relating to Pillar 3 disclosure as at 31st March, 2023, including "Leverage Ratio", "Net Stable Funding Ratio" and "Liquidity Coverage Ratio" under Basel III Capital Regulations as have been disclosed on the Bank`s website and in respect of which a link has been provided in the financial results and have not been audited by us.

   The Statement includes returns for the year ended on that date of:

   i. The Central Office, Treasury Branch and 20 Indian Branches audited by us;

   ii. 1,772IndianBranches (incl. Gift City) audited by Statutory Branch Auditors and

   iii. 3 Foreign Branches audited by the respective local auditors

   The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also, incorporated in the Balance Sheet, the Profit and Loss Account and Cash Flow Statement are the returns from4,362Indian branches which have not been subjected to Audit.

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the Bank's branch auditors as referred to in paragraph11 below, these standalone Financial Results:

   i. are presented in accordance with the requirements of Regulation 33 and 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard except for the disclosures relating to Pillar 3 disclosure as at 31st March,

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No. 003990S/S200018 CHENNAI

G. NATESAN & CO. CHENNAI 600 018 CHARTERED ACCOUNTANTS

SARC & ASSOCIATES FRN 006085N Chartered Accountants

KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

2023, including "leverage ratio", "net stable funding ratio" and "liquidity coverage ratio" under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Financial Results and have not been audited by us; and

ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India of the net profit and other financial information for the quarter and year ended on 31st March, 2023.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Results, 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.

Board of Directors' Responsibility for the Standalone Financial Results:

4. The Standalone Financial Results has been compiled from the related audited Annual Standalone Financial Statements. The Bank's Board of Directors are responsible for the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and other financial information in accordance with the recognition and measurement principles generally accepted in India, including Accounting Standards issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines"), judicial pronouncements and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulations Act, 1949 for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial

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

5. In preparing the Standalone Financial Statements, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

6. The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

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

7. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Standalone Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

   We also:

   i. Identify and assess the risks of material misstatement of the Standalone 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.

   ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

   iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

   iv. Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

8. We communicate with those charged with governance regarding, amongst 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.

9. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

10. We did not audit the financial statementsof1775 branches(of which 178 are processing centers) included in the Standalone Financial Results of the Bank whose financial statements/financial information reflect 41.46 % of advances, 46.57% of deposits and 57.25% of Non-performing Assets as on 31st March, 2023 and 28.79 % of revenue for the financial year ended 31st March, 2023.The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

11. In conduct of our audit, we have taken note of the unaudited returns in respect of 4,362 branches/offices certified by the respective branch's management. These unaudited branches cover21.99% of advances, 52.03% of deposits and 37.26% of Non-performing assets as on 31st March, 2023 and 14.74 % of revenue for the financial year ended 31stMarch,2023.

12. The figure for the quarter ended 31st March, 2023 represent the balancing figures between the audited figures in respect of the year ended 31st March, 2023 and the

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published year to-date figures up to 31st December, 2022 which were subjected to limited review by us, as required under Listing Regulations.

13. The Standalone Financials results of the Bank for the previous year ended 31st March, 2022 were audited by the joint auditors, two of them are predecessor audit firms and have expressed unmodified opinion on such financial results vide report dated 11.05.2022

Our opinion is not modified in respect of above matters

For PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants
FR No. 003990S/S200018

P. Devi

P. DEVI
Partner
(M. No. 223137)
UDIN: 23223137BGYLPY1043

For G NATESAN & CO
Chartered Accountants
FR No. 002424S

V.MARGASAHAYAM
Partner
(M. No. 020555)
UDIN: 23020555BGWSZN3645

For S A R C & ASSOCIATES
Chartered Accountants
FR No. 006085N

CHETAN THAKKAR
Partner
(M. No. 114196)
UDIN: 23114196BGUMBD4391

For KAILASH CHAND JAIN & CO
Chartered Accountants
FR No. 112318W

Jain

SANDEEP K JAIN
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For S SINGHAL & CO
Chartered Accountants
FR No. 001526C

MUKESH KUMAR KHANDELWAL
Partner
(M. No.074661)
UDIN: 23074661BGXKJD3312

Place of Signature: Chennai
Date of Report: 08.05.2023

Indian Bank

Consolidated Balance Sheet as on 31st March 2023

(Rs. in Crores)

Particulars	Sch. No.	As on 31.03.2023 (Audited)	As on 31.03.2022 (Audited)
CAPITAL & LIABILITIES			
Capital	1	1245.44	1245.44
Reserves and Surplus	2	48261.38	43706.49
Minority Interest	2A	26.19	24.98
Deposits	3	621123.23	593570.88
Borrowings	4	22092.42	17217.52
Other Liabilities & Provisions	5	20585.34	18331.12
TOTAL		**713334.00**	**674096.43**
ASSETS			
Cash & Balances with R B I	6	32692.73	58554.66
Balances with Banks and Money at Call and Short Notice	7	17524.10	21413.56
Investments	8	188366.28	176501.61
Advances	9	449293.95	389186.07
Fixed Assets	10	7480.67	7698.91
Other Assets	11	17976.27	20741.62
TOTAL		**713334.00**	**674096.43**
Contingent Liabilities	12	381370.21	356020.02
Bills for Collection		16082.16	14144.89

Place: Chennai
Date: 08.05.2023

General Manager - CFO

S L Jain
Managing Director & CEO

Ashutosh Choudhury
Executive Director

Mahesh Kumar Bajaj
Executive Director

Ashwani Kumar
Executive Director

Imran Amin Siddiqui
Executive Director

DIRECTORS

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Part Time Non Official Director

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Chartered Accountants
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P DEVI
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For M/s. G Natesan & Co
Chartered Accountants
FR No. 002424S

V MARGASAHAYAM
Partner
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For S A R C & ASSOCIATES
Chartered Accountants
FR No. 006085N

CHETAN THAKKAR
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For M/s. Kailash Chand Jain & Co
Chartered Accountants
FR No. 112318W

SANDEEP K JAIN
Partner
(M. No. 110713)
UDIN:
23110713BGYQGR5630

For M/s. S Singhal & Co
Chartered Accountants
FR No. 001526C

MUKESH KUMAR KHANDELWAL
Partner
(M. No. 074661)
UDIN:
23074661BGXKJE6824

इंडियन बैंक Indian Bank

Consolidated Profit and Loss Account for Quarter / Year ended 31st March 2023

(Rs. in Crores)

Particulars	Sch. No.	Y.E. 31.03.2023 (Audited)	Y.E. 31.03.2022 (Audited)
I. INCOME			
Interest earned	13	44985.16	38888.44
Other Income	14	7804.50	7379.71
TOTAL		**52789.66**	**46268.15**
II. EXPENDITURE			
Interest expended	15	24717.29	22129.25
Operating Expenses	16	12724.76	11353.54
Provisions & Contingencies		10017.13	8791.47
TOTAL		**47459.18**	**42274.26**
Consolidated Profit/ (loss) for the period attributable to group		**5330.48**	**3993.89**
Share of earnings in Associates		243.04	150.30
Consolidated Profit/ (loss) for the period before deducting minorities' interest		**5573.52**	**4144.19**
Less: Minority Interest		1.21	2.38
Consolidated Profit/(loss) for the period attributable to the group		**5572.31**	**4141.81**
Profit / (Loss) brought forward		1071.77	845.15
Less: Other Adjustments		0.00	-23.19
Balance carried forward to the Balance Sheet		**6644.08**	**4963.77**
IV. Appropriations			
Transfer to			
Statutory Reserves		1320.43	986.21
Capital Reserves-Others		0.00	147.90
Spl.Reserve u/s 36(1)(viii) of I T Act		191.73	108.35
Investment Fluctuation Reserve		0.00	0.00
Revenue Reserves		2655.00	1800.00
Staff Welfare Fund		40.00	40.00
Investment Reserve		0.00	0.00
Proposed Equity Dividend		1071.08	809.54
Proposed Preference Dividend		0.00	0.00
Dividend Distribution Tax		0.00	0.00
Balance carried to consolidated Balance Sheet		6644.08	4963.77
Total Appropriations			
Earnings Per Share in Rs. (basic & diluted) (not annualised)		44.74	33.99

Place: Chennai
Date: 08.05.2023

General Manager - CFO

S L Jain
Managing Director & CEO

Ashutosh Choudhury
Executive Director

Mahesh Kumar Bajaj
Executive Director

Ashwani Kumar
Executive Director

Imran Amin Siddiqui
Executive Director

DIRECTORS

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Shareholder Director

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Part Time Non Official Director

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For S A R C & ASSOCIATES
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FR No. 001526C

MUKESH KUMAR KHANDELWAL
Partner
(M. No. 074661)
UDIN:
23074661BGXKJE6824

(Rs. In Crores)

Particulars	As on 31.03.2023	As on 31.03.2022
SCHEDULE 1 - CAPITAL		
I. Authorised Capital		
300,00,00,000 Equity Shares of Rs.10/- each	3000.00	3000.00
II. Issued, Subscribed and Paid up:		
a) 99,45,49,600 Equity shares of Rs.10/- each held by Central Government (P.Y. 99,45,49,600 Equity Shares of Rs.10 each)	994.55	994.55
b) 25,08,91,539 Equity Shares of Rs.10/- each held by Public (P.Y. 25,08,91,539 Equity Shares of Rs.10 each)	250.89	250.89
TOTAL	**1245.44**	**1245.44**
SCHEDULE 2 - RESERVES AND SURPLUS		
I. STATUTORY RESERVES		
a) Opening Balance	9635.96	8649.75
b) Additions during the period	1320.43	986.21
c) Deductions during the period	0.00	0.00
TOTAL I	**10956.39**	**9635.96**
II. CAPITAL RESERVES		
A) Revaluation Reserve		
a) Opening Balance	6211.02	5754.97
b) Additions during the period	0.00	599.47
c) Deductions during the period	104.12	143.42
TOTAL (A)	**6106.90**	**6211.02**
B) Others		
a) Opening Balance	1110.69	962.79
b) Additions during the period	0.32	147.90
c) Deductions during the period	0.00	0.00
TOTAL (B)	**1111.01**	**1110.69**
TOTAL II (A + B)	**7217.91**	**7321.71**
III. SHARE PREMIUM		
a) Opening Balance	2391.55	857.62
b) Additions during the period	0.00	1533.93
c) Deductions during the period	0.00	0.00
TOTAL III	**2391.55**	**2391.55**

INDIAN BANK C.O. Accts. Dept. CHENNAI-14

PKF SRIDHAR & SANTHANAM LLP Firm Regn No. 003990S/S200018 CHENNAI

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SARC & ASSOCIATES FRN 006085N Chartered Accountants

KAILASHCHAND JAIN & CO. Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

(Rs. In Crores)

Particulars	As on 31.03.2023	As on 31.03.2022
IV. REVENUE AND OTHER RESERVES		
A) Revenue Reserve		
a) Opening Balance	15313.26	13369.84
b) Additions during the period	2655.00	1800.00
c) Tfrd from Revaluation Reserve	104.12	143.42
d) Deductions during the period	0.00	0.00
TOTAL (A)	**18072.38**	**15313.26**
B) Special Reserve U/S 36(1)(viii) of IT Act		
a) Opening Balance	2289.70	2181.35
b) Additions during the period	191.73	108.35
c) Deductions during the period	0.00	0.00
TOTAL (B)	**2481.43**	**2289.70**
C) Special Reserve U/S 36(1)(viii a) of IT Act		
a) Opening Balance	58.20	58.20
b) Additions during the period	0.00	0.00
c) Deductions during the period	0.00	0.00
TOTAL (C)	**58.20**	**58.20**
D) Investment Fluctuation Reserve		
a) Opening Balance	1031.90	1031.90
b) Additions during the period	0.00	0.00
c) Deductions during the period	0.00	0.00
TOTAL (D)	**1031.90**	**1031.90**
E) Investment Reserve		
a) Opening Balance	186.38	186.38
b) Additions during the period	0.00	0.00
c) Deductions during the period	0.00	0.00
TOTAL (E)	**186.38**	**186.38**
F) Foreign Currency Translation Reserve		
a) Opening Balance	397.24	421.93
b) Additions during the period	93.33	0.00
c) Deductions during the period	0.00	24.69
TOTAL (F)	**490.57**	**397.24**

INDIAN BANK C.O. Accts. Dept. CHENNAI-14

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SARC & ASSOCIATES FRN 006085N Chartered Accountants

KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

(Rs. In Crores)

Particulars	As on 31.03.2023	As on 31.03.2022
G) IRS Reserve		
a) Opening Balance	1.91	1.91
b) Additions during the period	0.00	0.00
c) Deductions during the period	0.00	0.00
TOTAL (G)	**1.91**	**1.91**
TOTAL IV (A + B + C + D+ E + F + G)	**22322.77**	**19278.59**
V. AMALGAMATION RESERVE		
a) Opening Balance	4006.91	4006.91
b) Additions during the period	0.00	0.00
c) Deductions during the period	0.00	0.00
TOTAL V	**4006.92**	**4006.91**
VI. PROFIT & LOSS ACCOUNT		
Opening Balance	1071.77	845.15
Additions during the period	5572.31	4141.81
Deductions during the period	5278.24	3915.19
TOTAL VI	**1365.84**	**1071.77**
TOTAL (I+II+III+IV+V+VI)	**48261.38**	**43706.49**
SCHEDULE 2A - MINORITY INTEREST		
Minority interest on the date on which the parent-subsidiary relationship came into existence	3.27	3.27
Subsequent increase/ decrease	22.92	21.71
Minority interest on the date of balance sheet	**26.19**	**24.98**
SCHEDULE 3 - DEPOSITS		
A. I. DEMAND DEPOSITS		
(i) From Banks	138.93	125.60
(ii) From others	35713.22	36587.17
II. SAVINGS BANK DEPOSITS	224952.41	211207.62
III. TERM DEPOSITS		
(i) From Banks	350840.23	6067.87
(ii) From others	9478.44	339582.62
TOTAL A (I, II & III)	**621123.23**	**593570.88**

INDIAN BANK CHENNAI-14

PKF SRIDHAR & SANTHANAM LLP CHENNAI Firm Regn. No. 003990S/S200018

G. NATESAN & CO. CHENNAI 600 018 CHARTERED ACCOUNTANTS

SARC & ASSOCIATES FRN 006085N Chartered Accountants

KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

(Rs. In Crores)

Particulars	As on 31.03.2023	As on 31.03.2022
B. (I) Deposits of branches in India	607984.90	584613.72
(II) Deposits of branches outside India	13138.33	8957.16
TOTAL B (I & II)	**621123.23**	**593570.88**
SCHEDULE 4 - BORROWINGS		
I. BORROWINGS IN INDIA		
(i) Reserve Bank of India	0.00	0.00
(ii) Other Banks	3.83	7.07
(iii) Other Institutions and Agencies *	20155.81	15351.20
II. BORROWINGS OUTSIDE INDIA **	1932.78	1859.25
TOTAL (I & II)	**22092.42**	**17217.52**
Secured Borrowing included in I & II above	0.00	0.00
* Includes AT-1 Capital - Perpetual Debt Instrument of Rs. 2000 Cr (PY Rs. 2000 Cr) and Tier II Capital - Subordinated Debt of Rs. 7000 Cr (PY Rs. 7000 Cr)		
** Includes Pipelines and un adjusted items in Nostro Mirror Balances		
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	1841.95	1585.17
II. Inter-Office adjustments (net)	0.00	0.00
III. Interest Accrued	1479.71	994.22
IV. Others (including provisions)*	17263.68	15751.73
TOTAL	**20585.34**	**18331.12**
*Includes Contingent provisions against Standard Assets of Rs. 6089.48 Cr (PY Rs. 3788.83 Cr)		

INDIAN BANK ACCTS DEPT CHENNAI-14

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(Rs. In Crores)

Particulars	As on 31.03.2023	As on 31.03.2022
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	1242.58	1962.45
II.Balances with Reserve Bank of India -		
(i) in Current Account	26670.15	22092.01
(ii) in Other Accounts	4780.00	34500.20
TOTAL	**32692.73**	**58554.66**
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. IN INDIA		
(i) Balances with Banks		
(a) in Current Accounts	70.37	30.64
(b) in Other Deposit Accounts	1605.55	1413.81
(ii) Money at call and short notice		
(a) with Banks	5007.04	0.00
(b) with other institutions	0.00	0.00
TOTAL I (i & ii)	**6682.96**	**1444.45**
II. OUTSIDE INDIA		
(i) in Current Account	693.49	503.98
(ii) in Other Deposit Accounts	10144.91	19453.09
(iii) Money at call and short notice	2.74	12.04
TOTAL II (I, ii & iii)	**10841.14**	**19969.11**
GRAND TOTAL (I, II)	**17524.10**	**21413.56**
SCHEDULE 8 - INVESTMENTS		
I. INVESTMENTS IN INDIA		
Gross Investments	190251.41	180407.76
Less : Provision for Depreciation & NPI	3796.41	5608.72
Net Investments	**186455.00**	**174799.04**
(i) Government securities	166948.40	158781.58
(ii) Other approved securities	99.62	7.25
(iii) Shares	896.72	1214.57
(iv) Debentures and Bonds	14839.78	12812.72
(v) Investment in Associates	1259.73	1011.85
(vi) Others	2410.75	971.07
TOTAL	**186455.00**	**174799.04**

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(Rs. In Crores)

Particulars	As on 31.03.2023	As on 31.03.2022
II. INVESTMENTS OUTSIDE INDIA		
Gross Investments	2041.97	1800.52
Less : Provision for Depreciation & NPI	130.69	97.95
Net Investments	**1911.28**	**1702.57**
(i) Government securities (including local authorities)	1911.06	1702.01
(ii) Investments in Associates	0.00	0.00
(iii) Other investments(to be specified)		
(a) Shares	0.22	0.56
(b) Debt Securities	0.00	0.00
TOTAL	**1911.28**	**1702.57**
NET GRAND TOTAL (I, II)	**188366.28**	**176501.61**
SCHEDULE 9 - ADVANCES		
A. (i) Bills Purchased and discounted	2434.93	3430.06
(ii) Cash credits, overdrafts and loans repayable on demand	210189.03	207613.08
(iii)Term Loans	236669.99	178142.93
TOTAL (A)	**449293.95**	**389186.07**
B. (i) Secured by tangible assets (includes advances against book debts)	373959.11	322961.60
(ii) Covered by Bank / Government Guarantees	39004.97	39614.40
(iii) Unsecured	36329.87	26610.07
TOTAL (B)	**449293.95**	**389186.07**
C. I. Advances in India		
(i) Priority Sector #	170017.92	163407.16
(ii) Public Sector	68741.14	67147.92
(iii) Banks	0.00	0.00
(iv) Others	181255.51	139011.85
TOTAL (C.I)	**420014.57**	**369566.93**
C. II. Advances outside India		
(i) Due from Banks	19922.99	11105.63
(ii) Due from Others		
(a) Bills Purchased & discounted	1046.80	2541.53
(b) Syndicated Loans	5113.59	4650.75
(c) Others	3196.00	1321.23
TOTAL (C.II)	**29279.38**	**19619.14**
TOTAL (C.I, C.II)	**449293.95**	**389186.07**
# RIDF is not included		

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(Rs. In Crores)

Particulars	As on 31.03.2023	As on 31.03.2022
SCHEDULE 10 - FIXED ASSETS		
I. PREMISES (Incl. Revalued Premises)		
At cost/revaluation as per the last Balance Sheet	7463.14	6866.57
Additions/Adjustments during the period	7.55	601.26
Deductions during the period	0.00	4.69
Depreciation to date	1493.33	1415.80
TOTAL	**5977.36**	**6047.34**
II. PREMISES UNDER CONSTRUCTION	**1.21**	**0.97**
III. OTHER FIXED ASSETS (including Furniture and Fixtures)		
At cost/revaluation as per the last Balance Sheet	4894.59	4666.96
Additions/Adjustments during the period	322.82	316.70
Deductions during the period	96.91	89.07
Depreciation to date	4097.15	3757.47
TOTAL	**1023.35**	**1137.12**
IV. LEASED ASSETS		
At cost/revaluation as per the last Balance Sheet	549.38	552.10
Additions/Adjustments during the period	0.00	0.00
Deductions during the period	0.00	2.53
Depreciation to date	79.70	41.22
TOTAL	**469.68**	**508.35**
V. Capital Work in Progress	**9.07**	**5.13**
TOTAL (I, II, III, IV & V)	**7480.67**	**7698.91**

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(Rs. In Crores)

Particulars	As on 31.03.2023	As on 31.03.2022
SCHEDULE 11 - OTHER ASSETS		
I. Inter Office Adjustment (net)	112.20	270.53
II. Interest accrued	3443.72	2999.69
III. Tax paid in advance/ Tax deducted at source (net)	5280.66	6440.81
IV.Stationery and Stamps	10.93	27.14
V. Non-banking assets acquired in satisfaction of claims	51.38	51.38
VI. Deferred Tax assets (Net)	4445.41	3885.69
VII.Others *	4631.97	7066.38
TOTAL	**17976.27**	**20741.62**
* Includes RIDF/ SIDBI/ RHDF/ NHB Deposits held under HTM Category		
SCHEDULE 12 - CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	2091.81	2159.16
II. Liability for partly paid Investments	388.96	462.77
III. Liability on account of outstanding forward exchange contracts	328152.70	306197.71
IV.Guarantee given on behalf of constituents*		
(a) In India	28971.51	24385.93
(b) Outside India	193.49	317.79
V. Acceptance, Endorsements and other obligations*	9758.18	10837.92
VI.Other items for which the bank is contingently liable	11813.56	11658.74
TOTAL	**381370.21**	**356020.02**
* Contingent Liability has been considered net of margin		

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(Rs. in Crores)

Particulars	Y.E. 31.03.2023 (Audited)	Y.E. 31.03.2022 (Audited)
SCHEDULE 13 - INTEREST EARNED		
I. Interest/Discount on Advances/Bills	31941.15	26927.55
II. Income on Investments	11690.08	10997.62
III.Interest on balances with Reserve Bank of India and other Inter Bank funds	877.74	851.52
IV. Others	476.19	111.75
TOTAL	**44985.16**	**38888.44**
SCHEDULE 14 - OTHER INCOME		
I. Commission, exchange and brokerage	1564.27	1181.89
II. Profit on sale of land, buildings and other assets	1.99	7.40
Less : Loss on sale of land, buildings and other assets	1.82	4.35
Net	0.17	3.05
III. Profit on exchange transactions	1008.61	689.99
Less : Loss on exchange transactions	0.00	0.00
Net	1008.61	689.99
IV. Profit on sale of Investments	554.32	1757.16
Less : Loss on sale of Investments	171.24	122.36
Net	383.08	1634.80
V. Profit on Revaluation of Investments	0.00	0.01
Less : Loss on Revaluation of Investments	86.99	343.25
Net	-86.99	-343.24
VI. Lease finance/ Hire Purchase income	0.02	0.02
VII.Miscellaneous Income	4935.34	4213.20
TOTAL	**7804.50**	**7379.71**
SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on deposits	23182.27	20933.43
II. Interest on Reserve Bank of India/Inter Bank borrowings	616.17	248.46
III.Others	918.85	947.36
TOTAL	**24717.29**	**22129.25**

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S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

(Rs. in Crores)

Particulars	Y.E. 31.03.2023 (Audited)	Y.E. 31.03.2022 (Audited)
SCHEDULE 16 - OPERATING EXPENSES		
I. Payments to and provisions for employees	7578.88	6738.44
II. Rent, taxes and lighting	625.93	615.43
III. Printing and stationery	100.61	85.85
IV. Advertisement and publicity	94.35	30.20
V. (a) Depreciation on Bank's property other than Leased Assets	532.37	600.68
(b) Depreciation on Leased Assets	0.02	0.18
VI. Directors' fees, allowances and expenses	1.53	1.17
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	52.58	47.64
VIII. Law charges	22.78	20.26
IX. Postage, Telegrams and Telephones	97.72	111.29
X. Repairs and Maintenance	195.34	246.33
XI. Insurance	813.56	742.31
XII. Other Expenditure	2609.09	2113.76
TOTAL	**12724.76**	**11353.54**

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KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

Schedule 17 - Significant Accounting Policies (Consolidated)

1. ACCOUNTING CONVENTION:

The financial statements are prepared by following the going concern concept on historical cost convention unless otherwise stated. They conform to generally accepted accounting principles in India, which comprises statutory provisions, regulatory / Reserve Bank of India guidelines, accounting standards / guidance notes issued by the Institute of Chartered Accountants of India and the practices prevalent in the Banking Industry in India. In respect of foreign branches as per statutory provisions and practices prevailing in the respective countries.

2. USE OF ESTIMATES :

The preparation of financial statements requires the management to make estimates and assumptions for considering the reported assets and liabilities (including contingent liabilities) as on the date of financial statements and the income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

3. CONSOLIDATION PROCEDURE :

a. Consolidated financial statements of the "Bank" (parent and its subsidiaries, its Joint Ventures) have been prepared on the basis of audited financial statements of Indian Bank (parent) and audited financial statements of its subsidiaries viz. (1) Ind Bank Housing Ltd, (2) Indbank Merchant Banking Services Ltd., its Joint Venture viz. (1) Universal Sompo General Insurance Co. Ltd, (2) ASREC (India) Limited after eliminating intra group transactions and unrealized profit/losses and making necessary adjustments except wherever otherwise stated in accordance with accounting standard 27 "Financial Reporting of interest in joint Ventures" issued by the institute of Chartered accountants of India.. The financial statements of the subsidiaries and Joint Ventures are drawn up to the same reporting date of the parent.

b. The Subsidiaries, Joint Ventures and Associates follow Accounting Policies as prescribed by the respective regulatory authorities and as per statutory requirements. In view of such diverse accounting policies required to be followed, the consolidated financial statements have been prepared by adopting the respective accounting policies of the mandated / statutory requirements.

c. The difference between the cost to the parent of its investment in subsidiary entity and the parent's portion of its equity in the subsidiary with reference to the date of acquisition is recognized in the consolidated financial statement as Capital

Reserve/Goodwill. The parent's share in the post-acquisition profits/losses is adjusted against the Revenue Reserve.

d. The minority interests in the net result of the operation and the asset of the subsidiary, represent that part of profit and the net asset attributable to the minorities.

e. Investments in Associates are accounted for under the Equity Method as per Accounting Standard -23 (AS - 23) - "Accounting for Investments in Associates in Consolidated Financial Statements" issued by ICAI based on the audited Financial Statements of the Associates.

4. TRANSACTIONS INVOLVING FOREIGN EXCHANGE:

PARENT:

4.1 Foreign Currency transactions of Indian operations and non-integral foreign operations are accounted for as per Accounting Standard-11 (AS-11) issued by the Institute of Chartered Accountants of India (ICAI).

4.2 Translation in respect of Indian operations:

a) Foreign exchange transactions are recorded at the Weekly Average Rate (WAR) notified by Foreign Exchange Dealers' Association of India (FEDAI).
b) Foreign currency assets and liabilities are translated at the closing rates notified by FEDAI at the year end.
c) Acceptances, endorsements and other obligations and guarantees in foreign currency are carried at the closing rates notified by FEDAI at the year end.
d) Exchange differences arising on settlement and translation of foreign currency assets and liabilities at the end of the financial year are recognized as income or expenses in the period in which they arise.
e) Outstanding forward exchange contracts are disclosed at the Contracted rates, and revalued at FEDAI closing rates, and the resultant effect is recognized in the Profit and Loss account.

4.3 Translation in respect of non-integral foreign operations:

Foreign branches are classified as non-integral foreign operations and the financial statements are translated as follows:

1. Assets and liabilities including contingent liabilities are translated at the closing rates notified by FEDAI at the year end.

2. Income and expenses are translated at the Quarterly Average Closing rate notified by FEDAI at the end of the respective quarter.
3. All resulting exchange differences are accumulated in a separate account "Foreign Currency Translation Reserve" (FCTR) till the disposal of the net investments.

5. INVESTMENTS

PARENT:

5.1.1 The entire investment portfolio of the Bank is classified in accordance with the RBI guidelines into three categories viz.

- Held To Maturity (HTM)
- Available For Sale (AFS)
- Held For Trading (HFT)

The securities acquired with the intention to be held till maturity are classified under **"HTM"** category. The securities acquired with the intention to trade by taking advantage of short–term price / interest movements are classified as **"HFT".** All other securities which do not fall under any of the two categories are classified under **"AFS"** category.

An investment is classified as Held to Maturity, Available for Sale or Held for Trading at the time of its purchase/acquisition and subsequent shifting is done in conformity with the Regulatory guidelines. Transfer of scrips, if any, from one category to another is done at the lowest of acquisition cost/book value/market value on the date of transfer and depreciation, if any, on such transfer is fully provided for.

Investment in Subsidiaries, Joint Ventures and Associates are classified as Held to Maturity.

Profit on sale of securities under HTM category is first taken to Profit and Loss account and thereafter appropriated to Capital Reserve account (net of taxes and amount required to be transferred to statutory reserves) and loss, if any, charged to Profit & Loss account.

5.1.2 Investments in India are valued in accordance with RBI guidelines, as under:

a) Securities in **HTM** category are valued at acquisition cost except where the acquisition cost is higher than the face value, in which case, such excess of acquisition cost over the face value is amortized over the remaining period of maturity. Any diminution, other than temporary, in value of investments in subsidiaries/joint ventures/Associates which are included under HTM category is recognized and provided. Such diminution is being determined and provided for each investment individually. Investment in units of Venture Capital funds (VCF) / Alternate Investment Fund (AIF) made after 23.08.2006 are classified under HTM category for initial period of 3 years and valued at cost.

b) Investment in Subsidiaries, Joint Ventures and Associates are valued at historical cost. Investment in sponsored Regional Rural Banks (RRB) are valued at carrying cost (i.e. Book value).

c) Investments in **AFS** category are marked to market, scrip-wise and classification wise, at quarterly intervals. Net depreciation, if any, is provided for in the Profit and Loss account while net appreciation, if any, is ignored. The book value of the individual securities does not undergo any change after marking to market.

d) The individual scrips in the **HFT** category are marked to market at daily intervals. Net depreciation, if any, is provided for in the Profit and Loss account while net appreciation, if any, is ignored. The Book Value of the individual securities in this category does not undergo any change.

Securities in **AFS and HFT** categories are valued as under:

i. Central Government Securities and State Govt. Securities are valued at prices / YTM rates as announced by Primary Dealers Association of India (PDAI) jointly with Fixed Income Money Market and Derivatives Association of India (FIMMDA) / Financial Benchmark India Private Ltd (FBIL).

ii. Other approved securities are valued applying the YTM method by marking up 25 basis points above the yields of the Central Government Securities of equivalent maturity put out by PDAI / FIMMDA/ FBIL periodically.

iii. Equity shares are valued at market price, if quoted. Unquoted equity shares are valued at break-up value (without considering revaluation reserves if any) as per the company's latest balance sheet (not more than one year prior to the date of valuation). Otherwise, the shares are valued at Re. 1 per company.

iv. Preference shares are valued at market price, if quoted; otherwise at lower of the value determined based on the appropriate YTM rates or redemption value.

v. All debentures/bonds, other than those which are in the nature of advances, are valued on the YTM basis.

vi. Treasury bills, Certificate of deposits and Commercial papers are valued at carrying cost.

vii. Units of Mutual Funds are valued at market price, if quoted; otherwise at lower of repurchase price or Net Asset Value (NAV). In case of funds with a lock-in period, where repurchase price / market quote is not available, units are valued at NAV, else valued at cost till the end of the lock-in period.

viii. Investment in units of Venture Capital funds (VCF) / Alternate Investment Fund (AIF) made after 23.08.2006 are classified under HTM category for initial period of 3 years and valued at cost. After period of 3 years from the date of disbursement, it will be shifted to AFS and marked-to-market as per RBI guidelines.

5.1.3 In respect of investment at Overseas branches, RBI guidelines or those of the host countries whichever are more stringent are followed. In case of those branches situated in countries where no guidelines are specified, the guidelines of RBI are followed.

5.1.4 Non-performing investment (NPI) are identified as stated below, as per guidelines issued by RBI.

a) Securities/Non-cumulative Preference shares where interest/fixed dividend/installment (including maturity proceeds) is due and remains unpaid for more than 90 days.

b) If any credit facility availed by the issuer from the Bank is a Non-performing advance in the books of the bank, investment in any of the securities including preference shares issued by the same issuer would also be treated as NPI and vice-versa. However, if only the preference shares are classified as NPA, the investments in any of the other performing securities issued by the same issuer may not be classified as NPI and any performing credit facilities granted to that borrower need not be treated as NPA.

c) In case of other equity investments, classified as NPI, shares are valued at market price, if quoted and in case it is not quoted, they are valued at Re.1 per company.

d) Investments backed by guarantee of the Central Government though overdue are treated as Non-Performing Asset (NPA) only when the Government repudiates its guarantee when invoked.

e) Investment in State Government guaranteed securities, including those in the nature of 'deemed advances', are subjected to asset classification and provisioning as per prudential norms if interest/ installment of principal (including maturity proceeds) or any other amount due to the Bank remains unpaid for more than 90 days.

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5.1.5 Brokerages / Commission / incentive received on subscriptions are deducted from the cost of securities. Brokerage / Commission / Stamp duty paid in connection with acquisition of securities are treated as revenue expenses.

5.1.6 Interest Rate Swap transactions for trading is marked to market at quarterly intervals. The fair value of the total swaps is computed on the basis of the amount that would be received/ receivable or paid/ payable on termination of the swap agreements as on the balance sheet date. Losses arising there from, if any, are fully provided for, while the profit, if any, is ignored

5.1.7 Exchange traded FX Derivatives i.e. Currency Futures, are valued at the Exchange determined prices and the resultant gains and losses are recognized in the Profit and Loss account.

5.1.8 Premium/interest arising at the inception of forward exchange swap facility of RBI for FCNR (B) dollar deposits is amortized as expense over the period of the swap contract.

5.1.9 Cost of investments is determined based on the Weighted Average Cost method in each category. Investments classified under HTM are carried at acquisition cost as arrived under Weighted Average Cost method and in case the weighted average cost is more than the face value, the premium is amortised over the remaining period of maturity.

5.1.10 Accounting for Repo/Reverse Repo transactions:

All types of repo/reverse repo transactions with RBI including LAF, variable rate term operations, Long term Repo operations (LTRO),MSF and also Market Repo transactions are accounted as per RBI guidelines.

The securities sold and purchased under Repo/Reverse Repo are accounted as Triparty Repo wherein securities are transferred as in the case of normal outright sale/purchase transactions and such movement of securities is reflected using the Repo/Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as Interest expenditure / income, as the case may be. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified as under:

(a) All type of reverse repos with the Reserve Bank of India including those under Liquidity Adjustment Facility shall be presented under sub-item (ii) *'In Other Accounts'* of item (II) *'Balances with Reserve Bank of India'* under schedule 6 *'cash and balances with Reserve Bank of India'*.

(b) Reverse repos with banks and other institutions having original tenors up to and inclusive of 14 days shall be classified under item (ii) *'Money at call and short notice'* under Schedule 7 *'Balances with banks and money at call and short notice'*.

(c) Reverse repos with banks and other institutions having original tenors more than 14 days shall be classified under Schedule 9 – *'Advances'* under the following heads:

i. A.(ii) 'Cash credits, overdrafts and loans repayable on demand'

ii. B.(i) 'Secured by tangible assets'

iii. C.(I).(iii) Banks (iv) 'Others' (as the case may be)

SUBSIDIARY COMPANIES:

5.2 **Indbank Merchant Banking Services Ltd:**

The investments held by the Company are all long term investments. Long term investments are carried at cost less provision for diminution, other than temporary in nature. The Company has reckoned diminution in value of shares /debentures as permanent in nature by relying on market value of quoted shares and book value / fair value whichever is higher in respect of unquoted shares.

5.3 **Ind Bank Housing Ltd**

Investments are classified into current investments and long term investments. Investments are valued at lower of cost or market value for each investment individually as per NHB guidelines in force.

6. FINANCIAL ASSETS SOLD TO SECURITISATION COMPANIES (SC) / RECONSTRUCTION COMPANIES (RC)

Parent:

6.1 Security Receipts (SR) issued by SCs/RCs in respect of financial assets sold to them is recognized at lower of redemption value of SRs and Net Book Value of financial assets. SRs are valued at:

(a) SRs issued by SCs/RCs prior to 01.04.2017 at Net Asset Value declared by SCs/RCs on the Balance Sheet date and depreciation, if any, is provided for and appreciation is ignored.

(b) As per amended guidelines issued by RBI with effect from April,01,2017, provisioning requirement on SRs will be higher of

(i) provisioning rate in terms of Net Asset Value declared by the SCs/RCs

(ii) provisioning rate as applicable to the underlying loans, assuming that the loans notionally continued in the books of the bank

6.2 In case of financial assets sold to RC, the valuation and, income recognition is being done as per RBI Guidelines. If the sale is for value lower than the Net Book Value (NBV) (i.e, book value less provisions held), the shortfall is debited to the Profit and Loss account or met out of utilization of Floating provision held, as per extant RBI guidelines.

6.3 If the cash received (by way of initial consideration and /or redemption of security receipts) is higher than the Net Book value of the Non-Performing Asset (NPA) sold to RC, then excess provision is reversed to the Profit and Loss account. The quantum of excess provision reversed to Profit and Loss account is limited to the extent to which cash received exceeds the NBV of the NPA sold.

7 ADVANCES

PARENT:

7.1.1 In accordance with the prudential norms issued by RBI, advances in India are classified into Standard, Sub-Standard, Doubtful and Loss assets borrower-wise.

7.1.2 Provisions are made for non performing advances as under:

a) Sub Standard:

   i) A general provision of 15% on the total outstanding

   ii) Additional provision of 10% for exposure which are unsecured ab-initio (ie., where realizable value of securities is not more than 10% ab-initio)

b) Doubtful category-1

   i) 25 % for Secured portion.

   ii) 100% for Unsecured portion.

c) Doubtful Category – 2

   i) 40 % for Secured portion.

   ii) 100% for Unsecured portion.

e) Doubtful category-3 and Loss advances – 100 %.

7.1.3 Provision is made for standard advances including Restructured / Rescheduled standard advances as per RBI directives.

7.1.4 In respect of foreign branches, income recognition, asset classification and provisioning for loan losses are made as per local requirement or as per RBI prudential norms, whichever is more stringent.

Further,if an asset in the overseas books of the Bank requires to be classified as NPA at any point of time in terms of regulations issued by Reserve Bank of India, then all the facilities granted by the bank to the borrower and investment in all the securities issued by the borrower will be classified as NPAs/NPIs.

However,accounts classified as Non-performing/Impaired assets (NPAs) by host regulators for reasons other than record of recovery, would be classified as NPAs at the time of consolidating financial statements in India and provided for, as required; whereas asset classification of other credit exposures to the same counterparties in other jurisdictions (including India) will continue to be governed by the extant guidelines in the respective jurisdictions.

7.1.5 Advances disclosed are net of provisions made for non-performing assets, DICGC/ ECGC/ CGTMSE claims received and held pending adjustment, repayments received and kept in sundries account, participation certificates, usance bills rediscounted and provision in lieu of diminution in the fair value of restructured accounts classified as standard assets.

8. FIXED ASSETS / DEPRECIATION

8.1 PARENT:

8.1.1 Fixed assets are carried at cost / revalued amount less accumulated depreciation / amortization

8.1.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalized only when it increases the future economic benefits from such assets on their functioning capacity.

8.1.3 Depreciation on buildings (including cost of land wherever inseparable / not segregated) and other fixed assets in India will be provided for on the straight-line method at the rates / useful life, as specified below:

S No.	Description of fixed assets	Depreciation Rate/ Useful Life
1	Computers	33.33% every year
2	Computer Software forming an integral part of the Computer hardware	33.33% every year
3	Computer Software which does not	33.33% every year

S No.	Description of fixed assets	Depreciation Rate/ Useful Life
	form an integral part of Computer hardware and cost of Software Development	
4	Automated Teller Machine/ Cash Deposit Machine / Coin Vending Machine	20.00% every year
5	Servers	33.33% every year
6	Network equipment	20.00% every year
7	Other fixed assets	Estimated useful life of major group of assets are as under: Premises: 60 years Safes / Locker / Doors (Steel): 20 years Vehicles : 5 years Furniture and Fixtures : 10 years Cell phones : 1 year

8.1.4 In respect of assets sold / acquired during the year, depreciation will be charged on proportionate basis for the number of days the assets have been put to use / from the Date of capitalization during the year.

8.1.5 Assets costing uptoRs 5000/- will be fully depreciated in the year of purchase.

8.1.6 The revalued asset will be depreciated over the balance useful life of the asset as assessed at the time of revaluation.

The increase in Net Book Value of the asset due to revaluation will be credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Depreciation relatable to revalued component will be charged against revenue expenditure and an equivalent amount will be charged straight away against revaluation reserve and credited to the revenue reserve, as per revised AS 10 issued by ICAI.

8.1.7 In respect of Assets where subsidy is received from Government, the same will be credited to the respective asset account and depreciation will be charged accordingly.

8.1.8 Premium on leasehold land will be capitalized in the year of acquisition and amortized over the period of lease.

8.1.9 Depreciation in respect of fixed assets at foreign branches will be provided as per the practice prevailing in the respective countries.

8.1.10 In respect of Non-Banking Assets, no depreciation will be charged.

Subsidiary Companies :

8.2 Indbank Merchant Banking Services Ltd :
Fixed Assets are stated at historical cost less accumulated depreciation & provision for impairment (if Any). Leased assets (Contracted prior to December 1997) are further adjusted for the balance in Lease adjustment account.

DEPRECIATION

a) On Assets other than given on lease:

In respect of assets other than assets given on lease, the company provides depreciation on the assets on the Straight Line Method (SLM) based on the useful life of the asset as prescribed in Schedule II to the Companies Act, 2013, on pro-rata basis. Software costs are amortised on SLM over a period of three years, from the year of acquisition.

b) On Assets given on lease under discontinuing operations:

In respect of Assets given on lease under discontinuing operation, the Company provides depreciation on the assets in the WDV method on pro-rata basis, the month in which the assets are installed taken as full month. The cost of the Assets given on lease are amortised fully during the Lease period. {In accordance with the Guidance note on Accounting for Leases (revised) issued by the ICAI}. The difference between the statutory depreciation and the annual lease charge is adjusted through the Lease Equalisation, which is adjusted with the lease income.

Indbank Housing Ltd :

8.3 Fixed Assets are capitalized at cost and or stated at cost less deprecation. Depreciation is calculated on written down value method at the rates prescribed in Schedule II to the companies Act, 2013.

9. REVENUE RECOGNITION

9.1 PARENT :

9.1.1 Income and expenditure are generally accounted for on accrual basis, unless otherwise stated.

9.1.2 Income from non-performing assets, Central Government guaranteed assets (where it is overdue beyond 90 days), dividend income, insurance claims, commission on letters of credit / guarantees issued (other than those relating to project finance), income from wealth management, additional interest / overdue charges on bills purchased, finance charges on credit cards, income on Bank's right to recompense, AMC charges on debit cards, all other commission / fee income are accounted for on realisation basis and locker rent received, income from Bancassurance products are accounted on accrual basis.

9.1.3 In case of overdue foreign bills, interest and other charges are recognised till the date of crystallisation as per FEDAI guidelines.

Subsidiary Companies:

9.2 Indbank Merchant Banking Services Ltd

a. Issue Management Fee and fees for other managerial services - Considered on the completion of assignment.
b. Underwriting Commission and brokerage on distribution of financial products – Considered on receipt of subscription particulars.
c. Brokerages under stock broking operations are accounted on completion of contracts.
d. Interest on overdue lease rentals and hire purchase instalments are accounted for on receipt basis. Since the outstanding amount is fully provided for in the books of accounts, the amounts received are adjusted towards the principal outstanding and balance, if any, towards interest.
e. Dividend income is recognized when the right to receive is established.
f. Annual Maintenance and transaction charges under depository participant operations are considered yearly and on completion of transactions respectively.

9.3 Indbank Housing Ltd:

a) The Company follows National Housing Bank's Prudential Norms for recognition of Income and Provisioning for Non-Performing Assets.

b) Repayment of housing loans is by way of Equated Monthly Instalments (EMIs) comprising of principal and interest. Interest is calculated every half year on the opening balance at the beginning of the respective half year/ year. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI interest payable is recognized every month

10. CREDIT CARD REWARD POINTS

Reward points earned by card members on use of Card facility is recognized as expenditure on such use.

11. NET PROFIT / LOSS

The result disclosed in the Profit and Loss Account is after considering:

- Provision for Non-Performing Advances and / or Investments.
- General provision on Standard Advances
- Provision for Restructured Advances
- Provision for Depreciation on Fixed Assets
- Provision for Depreciation on Investments
- Transfer to/ from Contingency Fund
- Provision for direct taxes
- Provision for Unhedged Foreign Currency Exposure
- Usual or/and other necessary provisions

12. STAFF RETIREMENT BENEFITS

PARENT:

12.1.1 PROVIDENT FUND

Provident fund is a statutory obligation and in the case of Contributory Provident Fund optees, the Bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to Profit and Loss Account. The fund is managed by Indian Bank Staff Provident Fund Trust.

12.1.2 GRATUITY

Gratuity liability is a statutory obligation as per Indian Bank Employees' Gratuity Fund Rules and Regulations and is provided for on the basis of an actuarial valuation made at the end of the financial year. The gratuity liability is funded by the Bank and is managed by Indian Bank Employees Gratuity Fund Trust.

12.1.3 PENSION

a) Pension liability is a defined benefit obligation under Indian Bank (Employees) Pension Regulations 1995 and is provided for on the basis of actuarial

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valuation, for the employees who have joined Bank up to 31.03.2010 and opted for pension.

b) New Pension Scheme (NPS) which is applicable to employees who joined bank on or after 01.04.2010 and it is a defined contribution scheme. Under NPS the Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit and Loss Account.

12.1.4 COMPENSATED ABSENCES

Accumulating compensated absences such as Privilege Leave and Sick Leave are provided for based on actuarial valuation.

12.1.5 OTHER EMPLOYEE BENEFITS

Other Employee benefits such as Leave Fare Concession and Additional Retirement Benefit on Retirement are provided for based on actuarial valuation. In respect of overseas branches and offices, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

Subsidiary Companies:

Indbank Merchant Banking Services Ltd

12.2 Short Term employee benefits / obligations are estimated and provided for.

Gratuity – The Subsidiary has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Annual contribution is made to gratuity fund established as a Trust through a Group Gratuity Policy with Life Insurance Corporation of India. The Company's liability towards Gratuity is actuarially determined as at balance sheet date using the Projected Unit Credit (PUC) method. Actuarial gains and losses are recognized in revenue.

Provident Fund – The eligible employees are entitled to receive benefits under Provident Fund, a defined contribution plan in which both employees and the employer make monthly contributions at a specified percentage of the covered employees salary, the contributions as specified under the law are paid to the provident Fund and Pension Fund with Provident Fund Authorities.

Leave encashment – The eligible Leave encashment liability to the employees other than those deputed by Indian Bank has been provided for on the basis of actuarial valuation based on number of days unutilised leave as at each balance sheet date.

The retirement benefit liability to staff on deputation from Parent is borne by the Parent except eligible Provident Fund contribution.

Ind bank Housing Ltd:

12.3 Contribution to Provident Funds is made to the Regional Provident Fund Commissioner.

The Gratuity liability is covered by Trust formed under the Group Gratuity Scheme. The trust has purchased a Group Gratuity policy from LIC and the annual premium is paid through the Trust.

Liability for leave encashment is provided for on actuarial basis.

13. ACCOUNTING FOR LEASES

Lease payments including cost escalation for assets taken on operating lease are recognized in the Profit and Loss Account over the lease term or life whichever is lower.

14. CONTINGENT LIABILITIES AND PROVISIONS

14.1 Contingent liability: Past events leading to, possible or present obligations are recognised as contingent liability in the following instances where:

(a) The existence of such obligations has not been confirmed
(b) no outflow of resources are required to settle such obligations
(c) a reliable estimate of the amount of the obligations cannot be made
(d) such amounts are not material

14.2 (a) Provision is recognized in case of present obligations where a reliable estimate can be made and/or where there are probable outflow of resources embodying foregoing of economic benefits to settle the obligations, excluding frivolous claims.

(b) Provision for Market Risk, Country Risk, etc., are made in terms of extant instructions of RBI.

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(c) Floating provision as identified by the Bank Management is provided for.

Floating provision may be utilized as per extant RBI guidelines, for -

(i) Making specific provisions for non-performing assets;
(ii) Meeting any shortfall in sale of non-performing assets.

15. IMPAIRMENT OF ASSETS

Impairment losses, if any, on Fixed Assets (including revalued assets) are recognized and charged to Profit and Loss Account in accordance with the Accounting Standard 28 "Impairment of Assets". However, an impairment loss on a revalued asset is recognized directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

16. TAXES ON INCOME

16.1 Provision for tax is made for both Current Tax and Deferred Tax.

16.2 Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates, tax laws and favorable judicial pronouncements / legal opinion.

16.3 Deferred Tax Assets and Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and tax laws that have been enacted or substantively enacted till the date of the Balance Sheet. Deferred Tax Assets are not recognized unless there is "virtual certainty" that sufficient future taxable income will be available against which such deferred tax assets will be realized.

17. Discontinuing Operations

In respect of Indbank Merchant Banking Services Ltd accounting policies adopted for discontinued operations are in line with the accounting policies adopted for continuing operations.

SCHEDULE 18
NOTES ON ACCOUNTS
CONSOLIDATED FINANCIAL STATEMENTS (2022-23)

1. SUBSIDIARIES:

Sl No	Name of the Subsidiary	Country of Incorporation	Date of Incorporation	Proportion of Ownership	Name of Statutory Auditor	Date of appointment of statutory auditor
a	Indbank Merchant Banking Services Ltd	India	11/08/1989	64.84%	Brahmayya & Co	26/08/2022
b	Ind Bank Housing Ltd	India	28/01/1991	51.00%	M/s. N C Rajagopal & Co	30/08/2022

2. ASSOCIATES:

Sl. No.	Name of the Associates	Shareholding Pattern
a	Tamilnadu Grama Bank	35%
b	Saptagiri Grameena Bank	35%
c	Puduvai Bharathiar Grama Bank	35%

3. Accounting for Investment in Joint Ventures (As 27)

(Rs in Crore)

Name of Entity	Country / Residence	Relationship	Ownership interest	Amount of shareholding
Universal Sompo General Insurance Company Ltd.	India	Joint Venture	28.52 %	105.00
Asrec (India) Ltd.	India	Joint Venture	38.26%	37.50

4. RECONCILIATION AND ADJUSTMENTS

PARENT:

a) Reconciliation of Inter Branch Account is completed up to 31.03.2023. except few old entries. The Bank through various effective steps has achieved reduction in the outstanding.

b) In view of the net credit position in respect of un-reconciled entries in the Inter Branch Account outstanding for more than 6 months as on 31.03.2023, no provision is required. However, the bank is maintaining 100% provisions on the gross debit balance in inter branch account amounting to Rs. 228.01 Crore including fresh provision of Rs. 5.35 Crore made during the year 2022-23)

c) Old outstanding entries, in drafts payable, clearing adjustment, sundries receivable, sundry deposit accounts, etc. and in bank reconciliation relating to Reserve Bank of India and other banks are being regularly reviewed for appropriate adjustments.

d) Balancing of subsidiary/ ledgers, registers and reconciliation with general ledgers are in progress at some branches. In the opinion of the management, consequential financial impact of the above on the accounts will not be significant.

e) Dividend of Rs. 8.60 per equity share i.e. 86% to the paid up capital is proposed by the Bank for FY 2022-23.

5. FIXED ASSETS

PARENT:

5.1 The premises of the Bank include land and building are stated at revalued amount. In Financial Year 2021-22, bank has revalued immovable properties based on the reports obtained from the external independent valuer. The closing balance of revaluation reserve as on 31.03.2023 (Net of amount transferred to revenue reserve) is Rs 6106.90 crore (Previous year Rs 6211.02 crore).

As per AS-10 in the case of assets, which have been revalued, the depreciation is provided on the revalued amount and the incremental depreciation attributable to the revalued amount is adjusted to the 'Revaluation Reserve.

For the year 2022-23, depreciation amounting to Rs.110.87 crores (Previous Year Rs.147.27 crore) was charged under expenditure and depreciation on revalued portion amounting to Rs. 104.12 Crore (previous year Rs. 143.42 crore) is transferred to Revenue Reserve from Revaluation Reserve.

5.2 Registration formalities are yet to be completed for the following properties: -

Premises include 9 (7+2*) properties original costing Rs. 8.38 crores having revalued book value of Rs. 65.98 crores (Previous year Rs. 66.74 Crore), net of depreciation of Rs.0.76 Crore (Previous year Rs.1.46 crore) for which registration formalities are pending

* Property at Hyderabad costing Rs.1.61 Crore, where clearance is pending before ULC authority and at Chennai Costing Rs.2.32 Crore, where interim stay has been granted by DRAT.

5.3 Draw Down from Reserves:

(₹ in crore)

Reserves	Amount drawn		Purpose
	2022-23	2021-22	
Revaluation Reserve	**Rs. 104.12**	**Rs. 143.42**	Depreciation on revalued portion on Premises

*For the year 2022-23, the amount was credited to Revenue Reserve A/c as per the provisions of Accounting Standards 10.

6 COVID 19 Measures

The spread of COVID-19 across the globe has resulted in declined economic activity and increased volatility in financial markets. In this situation, though the challenges continue to unfold, the Bank is gearing itself on all fronts to meet the same. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis. The extent to which the COVID-19 pandemic will impact the Bank's results will depend on future developments, which are highly uncertain. Major challenges for the Bank would be from extended working capital cycle and reduced cash flows. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period

7 TAXATION

7.1 PARENT

a. Provision for Income Tax for the year:

(Amount in Crore)

Particulars	2022-23	2021-22
Provision for Taxation (Income tax including Deferred Tax)	632.71	-740.59

The disputed income tax demand paid as at 31.03.2023 was Rs. 3953.36 Crore (previous year 3953.36 Crore). The same has also been included under contingent liabilities relating to Income Tax of Rs. 8846.59 Crore (previous year Rs. 9187.03 Crores) relating to disputed tax matters as at 31.03.2023. No provision is considered necessary for the said disputed demands on account of judicial pronouncements and favorable decisions in Bank's own case except in case of income relating to foreign branches for the earlier periods amounting to Rs. 8.34 Crores for which Bank has provided during the current year.

b. Deferred Tax: The Bank has a net DTA of Rs. 4434.56 Crore (Previous year net DTA of Rs. 3872.91 Crore), included under under 'Other Assets'. The major components of DTA and DTL is given below:

(₹ in Crore)

Sl. No.	Particulars	31.03.2023	31.03.2022
	Deferred Tax Assets		
1	Liabilities provision allowable on payment/ crystallization	275.43	219.35
2	FCTR (Foreign Currency Translation Reserve)	122.57	99.08
3	Provision for Gratuity	0.04	0.06
4	Provision for Bad Debts	3864.41	3856.25
5	Provision for restructured Assets, AQR,S4A, stressed Assets	1094.72	588.06
6	Depreciation on Fixed Assets	102.79	87.26
	Total DTA	**5459.96**	**4850.06**
	Deferred Tax Liabilities		
1	Depreciation on Fixed Assets	44.40	44.40
2	Provision for written off accounts	363.15	363.15
3	Staff Welfare Retrieval	4.11	4.11
4	Special Reserve u/s 36(1)(viii)	613.74	565.49
	Total DTL	**1025.40**	**977.15**
	Net DTA/(DTL)	**4434.56**	**3872.91**

7.2 SUBSIDIARY COMPANIES:

7.2.1 INDBANK MERCHANT BANKING SERVICES LTD

a) A net provision of Rs.91.22 lakhs for tax has been made in the year.

b) No provision is made for the disputed demands of income tax keeping in view the judicial pronouncements and/or legal opinion on the issues.

c) The provision for deferred tax (net) for the year is Rs.67.08 lakhs (Previous year- Rs.15.55 lakhs) which has been charged to profit & loss account.

d) Prior period taxes : Nil

7.2.2 INDBANK HOUSING LTD

a. The unabsorbed depreciation and carry forward losses eligible for set-off against future taxable income have not been considered for deferred tax asset on the ground of virtual uncertainty.

b. The Income Tax Department has sent a demand notice for 4.32 crores for the assessment year 1999-2000 including interest. The demand is raised by considering the income on non-performing assets on accrual basis which, as per the NHB directives, could not be recognized as income. The Company has contested the demand before the Hon'ble Madras High Court and the judgment is issued in favour of the company on 29.11.2021

इंडियन बैंक / INDIAN BANK कॉर्पोरेट कार्यालय Corporate Office चेन्नै Chennai-600 014. लेखा विभाग / Accounts Department

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8 DISCLOSURES IN RESPECT OF ACCOUNTING STANDARDS

Consolidated Cash Flow statement for the Year ended Mar 31, 2023

(Rs in Crores)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Net Profit as per Profit and Loss Account before minority Interest	**5573.52**	**4144.19**
Adjustments for :		
Provision for NPA	6516.22	8446.60
Provision for Investment	492.15	453.75
Provision for Standard Assets	2294.68	961.57
Provision for Tax	659.47	(731.02)
Other Provisions and Contingencies	141.60	3.81
Depreciation on Fixed Assets	532.39	600.86
Interest on Capital Instrument	733.88	749.59
Loss/(profit) on sale of land and buildings	(0.16)	(3.05)
Income taxes paid	(13.60)	(12.18)
Profit before working Capital Changes	**16930.15**	**14614.12**
(Increase)/Decrease in Operating Assets		
(Increase) / Decrease in Investments	(12356.81)	1337.08
(Increase) / Decrease in Advances	(66714.84)	(34967.37)
(Increase) / Decrease in Other Assets	2778.95	4947.50
	(76292.70)	**(28682.79)**
Increase/(Decrease) in Operating Liabilities		
Increase/(Decrease) in Deposits	27552.35	55541.08
Increase/(Decrease) in Borrowings (other than Capital Instruments)	4874.89	(6945.25)
Increase/(Decrease) in Other liabilities	(958.68)	(5776.83)
	31468.56	**42819.00**
Net cash generated from Operations (A)	**(27893.99)**	**28750.33**
Cash flow from Investing activities		
Purchase of fixed assets	(334.36)	(323.09)
Sale of fixed assets	20.38	18.40
Net cash generated from Investing Activities (B)	**(313.98)**	**(304.69)**
Cash flow from Financing activities		
Payment of dividend	(809.54)	(249.09)
Redemption of Tier-2 Bonds	0.00	(600.00)
Interest on Capital Instrument	(733.88)	(782.48)
Equity Capital issued during the period (incl. Share premium)	0.00	1650.00
Net cash generated from financing activities (C)	**(1543.42)**	**18.43**
Net increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)	**(29751.39)**	**28464.07**
Cash and cash equivalents at the beginning of the period		
Cash in hand (including foreign currency notes)	1962.45	1658.38
Balances with Reserve Bank of India		
(a) in current accounts	22092.01	25886.80
(b) in other deposit accounts	34500.20	8900.00

(Rs in Crores)

Particulars	Year Ended	
	31.03.2023	31.03.2022
Balances with Banks		
(a) in current accounts	30.64	116.03
(b) in other deposit accounts	1413.81	2065.07
Money at Call and short notice with Banks	0.00	0.00
Balances with Banks outside India		
(a) in current accounts	503.98	1577.68
(b) in other deposit accounts	19453.09	11270.83
Money at call and short notice	12.04	29.36
	79968.22	**51504.15**
Cash & Cash equivalents at the end of the period		
Cash in hand (including foreign currency notes)	1242.58	1962.45
Balances with Reserve Bank of India		
(a) in current accounts	26670.15	22092.01
(b) in other deposit accounts	4780.00	34500.20
Balances with Banks		
(a) in current accounts	70.37	30.64
(b) in other deposit accounts	1605.55	1413.81
Money at Call and short notice with Banks	5007.04	0.00
Balances with Banks outside India		
(a) in current accounts	693.49	503.98
(b) in other deposit accounts	10144.91	19453.09
Money at call and short notice	2.74	12.04
	50216.83	**79968.22**
Difference in opening and closing cash and cash equivalents	**(29751.39)**	**28464.07**

9 EMPLOYEE BENEFITS (AS 15)

9.1 PARENT

9.1.1 Defined Contribution Plans:

Provident fund is a statutory obligation and in the case of Contributory Provident Fund Optees, the Bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to Profit and Loss Account. The fund is managed by Indian Bank Staff Provident Fund Trust. During the financial year 2022-23, the Bank has contributed ₹ 0.91 crores (previous year ₹ 1.14 crores).

New Pension Scheme (NPS) is applicable to employees who joined bank on or after 01.04.2010 and it is a defined contribution scheme. Under NPS the Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit and Loss Account. During the financial year 2022-23, the Bank has contributed ₹ 288.87 crores (previous year ₹ 255.18 crores.

9.1.2 Defined Benefit Plans:

The summarized position of Post-employment benefits and long term employee benefits recognised in the Profit & Loss Account and Balance Sheet as required in accordance with Accounting Standard–15 (Revised) are as under:

The following table sets out the basis of the Defined Benefit Pension Plan and Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Bank

PRINCIPAL ACTUARIAL ASSUMPTIONS

[Expressed as weighted averages]	31/03/2023	31/03/2022
Discount Rate -G-Sec Rate	7.48% for Pension and Gratuity – 15 year G-Sec Paper	7.27% for Pension and Gratuity – 15 year G-Sec Paper
Salary escalation rate	6.00% (includes 0.50% for wage revision)	6.00% (includes 0.50% for wage revision)
Attrition rate	1.00% for Pension and 2.00% for Service Employees	1.00% for Pension and 2.00% for Service Employees
Expected rate of return on Plan Assets *	7.69% for Pension and 7.83% for Gratuity	7.62% for Pension and 7.67% for Gratuity
Method used	Projected Unit Credit (PUC) actuarial Method	Projected Unit Credit (PUC) actuarial Method
Mortality	Indian Assured Lives Mortality (2012-14) ultimate	

* Expected Rate of return on Plan Assets not applicable for Leave encashment.

The estimates of future salary increases are considered taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market and in tandem with Funding Guidelines for Superannuation Schemes communicated by IBA. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible. The liabilities of leave encashment are unfunded.

(Rs in Crores)

II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES:	Pension Fund		Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
PVO as at the beginning of the year	16546.73	15319.48	1783.68	1848.22	1004.75	977.42
Interest Cost	1139.92	1047.85	120.55	110.19	63.08	59.12
Current service cost	270.86	250.19	80.38	69.21	208.02	175.72
Past service cost – recognised / vested benefits	0.00	0.00	0.00	0.00	0.00	0.00
Past service cost – unrecognised / non-vested benefits	0.00	0.00	0.00	0.00	0.00	0.00
Benefits paid	-1733.82	-1812.10	-250.89	-274.20	-274.21	-284.86
Actuarial loss/ (gain) on obligation	1689.97	1741.31	63.18	30.26	187.82	77.35
PVO as at the end of the year	**17913.66**	**16546.73**	**1796.90**	**1783.68**	**1189.46**	**1004.75**

(Rs in Crores)

III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:	Pension Fund		Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Fair value of plan assets as at the beginning of the year	15893.63	14961.61	1802.75	1897.26	0.00	0.00
Expected return on plan assets	1227.56	1132.00	134.35	136.42	0.00	0.00
Contributions	1872.61	1599.55	77.19	36.86	274.21	284.86
Benefits paid	-1733.82	-1812.10	-250.89	-274.20	-274.21	-284.86
Actuarial gain/(loss) on plan assets	13.28	12.57	0.89	6.41	0.00	0.00
Fair value of plan assets as at the end of the year	**17273.26**	**15893.63**	**1764.29**	**1802.75**	**0.00**	**0.00**

(Rs in Crores)

IV. ACTUAL RETURN ON PLAN ASSETS	Pension Fund		Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Expected return on plan assets	1227.56	1132.00	134.35	136.42	0.00	0.00
Actuarial gain / (loss) on plan assets	13.28	12.57	0.89	6.41	0.00	0.00
Actual return on plan assets	**1240.84**	**1144.57**	**135.24**	**142.83**	**0.00**	**0.00**

(Rs in Crores)

V. ACTUARIAL GAIN / LOSS RECOGNISED	Pension Fund		Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Actuarial gain / (loss) for the year - Obligation	-1689.97	-1741.31	-63.18	-30.26	-187.82	-77.35
Actuarial gain / (loss) for the year – due to financial assumption changes in DBO	0.00	0.00	0.00	0.00	0.00	0.00
Actuarial gain / (loss) for the year- Plan Assets	13.28	12.57	0.89	6.41	0.00	0.00
Total gain / (loss) for the year	-1676.69	-1728.74	-62.29	-23.85	-187.82	-77.35
Actuarial gain / (loss) recognised in the year	-1676.69	-1728.74	-62.29	-23.85	-187.82	-77.35
Unrecognised actuarial gain / (loss) at the end of the year	0.00	0.00	0.00	0.00	0.00	0.00
Actuarial gain / (loss) for the year - Obligation	-1676.69	**-1728.74**	**-62.29**	**-23.85**	**-187.82**	**-77.35**

(Rs in Crores)

VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSIS	Pension Fund		Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Present value of the obligation	17913.66	16546.73	1796.90	1783.68	1189.46	1004.75
Fair value of plan assets	17273.26	15893.63	1764.29	1802.75	0.00	0.00
Difference - Net (Liability) / Asset recognized in Balance Sheet	-640.40	-653.10*	-32.61	19.07	1189.46	1004.75
Unrecognised transitional liability	0.00	0.00	0.00	0.00	0.00	0.00
Unrecognised past service cost	0.00	0.00	0.00	0.00	0.00	0.00
Liability recognised in the balance sheet	**-640.40**	**-653.10***	**-32.61**	**19.07**	**1189.46**	**1004.75**

**Provision on account of change in family pension rules is included*

(Rs in Crores)

VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:	Pension Fund		Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Current service cost	270.86	250.19	80.38	69.21	208.02	175.72
Interest Cost	1139.92	1047.85	120.55	110.19	63.08	59.12
Expected return on plan assets	-1227.56	-1132.00	-134.35	-136.42	0.00	0.00
Net actuarial (gain)/loss recognised in the year	1676.69	1728.74	62.29	23.85	187.82	77.35
Transitional Liability recognised in the year	0.00	0.00	0.00	0.00	0.00	0.00
Past service cost - recognised	0.00	0.00	0.00	0.00	0.00	0.00
Expenses recognised in the statement of profit and loss	**1859.91**	**1894.78**	**128.87**	**66.83**	**458.92**	**312.19**
VIII. MOVEMENTS IN THE LIABILITY RECOGNISED IN THE BALANCE SHEET	**Pension Fund**		**Gratuity**		**Leave Encashment**	
	2022-23	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**
Opening net liability	-653.10	-357.87	19.07	49.04	-1004.75	-977.42
Expense as above	-1859.91	-1894.78	-128.87	-66.83	-458.92	-312.19
Contribution paid	1872.61	1599.55	77.19	36.86	274.21	284.86
Closing net liability	**-640.40**	**-653.10**	**-32.61**	**19.07**	**-1189.46**	**-1004.75**

(Rs in Crores)

IX. EXPERIENCE ADJUSTMENTS ON PLAN ASSETS/LIABILITIES (ii) Previous Years 2018-23 - Pension	Year ended					
	31.03.2018	31.03.2019	31.03.2020	31.03.2021	31.03.2022	31.03.2023
Present Value of obligation	6245.89	6520.32	6801.96	15319.48	16546.73	17913.66

Plan Assets	6146.80	6418.93	6697.41	14961.61	15893.63	17273.26
Surplus/ (Deficit)	-99.09	-101.39	-104.55	-357.87	-653.10	-640.40
Experience adjustments on plan liabilities- (loss) / gain	-704.39	-335.65	-449.25	-1542.88	-1741.31	-1689.97
Experience adjustments on plan assets- (loss) / gain	10.93	-8.58	13.32	-193.89	12.57	13.28

(Rs in Crores)

IX. EXPERIENCE ADJUSTMENTS ON PLAN ASSETS/LIABILITIES (iii) Previous Years 2018-23 - Gratuity	Year ended					
	31.03.2018	31.03.2019	31.03.2020	31.03.2021	31.03.2022	31.03.2023
Present Value of obligation	964.99	923.85	928.98	1848.22	783.68	796.90
Plan Assets	932.55	910.66	896.40	1897.26	802.75	764.29
Surplus/ (Deficit)	-32.44	-13.19	-32.58	49.04	19.07	-32.61
Experience adjustments on plan liabilities- (loss) / gain	-36.20	-2.11	-61.22	23.06	-30.26	-63.18
Experience adjustments on plan assets- (loss) / gain	22.12	-0.38	2.71	14.15	6.41	0.89

(Rs in Crores)

IX. EXPERIENCE ADJUSTMENTS ON PLAN ASSETS/LIABILITIES (iii) Previous Years 2018-23 - Leave Encashment	Year ended					
	31.03.2018	31.03.2019	31.03.2020	31.03.2021	31.03.2022	31.03.2023
Present Value of obligation	179.51	188.21	210.29	977.42	1004.75	1189.46
Plan Assets	0.00	0.00	0.00	0.00	0.00	0.00
Surplus/ (Deficit)	-179.51	-188.21	-210.29	-977.42	-1004.75	-1189.46
Experience adjustments on plan liabilities- (loss) / gain	10.18	7.58	17.71	7.62	-77.35	-187.82
Experience adjustments on plan assets- (loss) / gain	0.00	0.00	0.00	0.00	0.00	0.00

(Rs in Crores)

X. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)	2022-23		2021-22	
	Pension Fund	Gratuity Fund	Pension Fund	Gratuity Fund
Government of India Securities and State Government Securities	29.29%	23.35%	32.38%	23.42%
High Quality Corporate Bonds /PSU BONDS	15.64%	12.88%	13.42%	12.21%
Special Deposit Scheme	0.06%	0.04%	0.06%	0.04%
Funds managed by Insurer	54.48%	63.53%	53.98%	64.11%
Equity and Mutual Funds	0.53%	0.20%	0.16%	0.22%
Money Market	-	-	-	-
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

i. Other Long Term Employee Benefits

Amount of ₹73.65 crore (previous year ₹48.43 crore) has been provided towards Long Term Employee Benefits as per the actuarial valuation by the independent Actuary appointed by the Bank and is included under the head "Payments to and Provisions for Employees" in Profit and Loss Account. Details of additional Provisions made / (written back) for various long Term Employee Benefits during the year

(Rs in Crores)

No.	Long Term Employee Benefits	31/03/2023	31/03/2022
1.	Sick Leave	2.54	1.84
2.	Casual Leave	-0.03	0.09
3.	Leave Travel Concession	71.14	46.50
Total		**73.65**	**48.43**

9.2 SUBSIDIARY COMPANIES

9.2.1. INDBANK MERCHANT BANKING SERVICES LTD

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

(Amount in ₹)

Details	2022-23	2021-22	2020-21
Employer's contribution to Provident Fund	5664782	4763140	4503279

Defined Benefit Plan

I) Reconciliation of opening and closing balances of Defined benefit obligation

(Amount in ₹)

Details	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2022-23	2021-22	2022-23	2021-22
Defined benefit obligation at the beginning of the year	18226005	15294514	12466073	9559705
Current service cost	1428967	1336060	520230	453039
Interest cost	1255129	1014041	844869	632013
Actuarial (gain)/ loss	1382131	1476701	1021357	2433748
Benefits paid	(539866)	(895281)	-758504	(612432)
Settlement cost	-	-	-	-
Defined benefit obligation at the year end	21752366	18226005	14094025	12466073

II) Reconciliation of opening and closing balances of fair value of plan assets

(Amount in ₹)

	Gratuity (Funded)	
Details	2022-23	2021-22
Fair value of plan assets at the beginning of the year	18885757	15598048
Expected return on plan assets	1363214	(1139501)
Contributions	(345246)	3066712
Actuarial (gain)/ loss	1773034	(23223)
Benefits paid	(539866)	(895281)
Settlement cost	-	-
Fair value of plan assets at year end	21136893	16606755
Actual return on plan assets	1727377	1499924

III) Reconciliation of fair value of assets and obligations

(Amount in ₹)

Details	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2022-23	2021-22	2022-23	2021-22
Fair value of plan assets	21136893	16606755	-	-
Present value of obligation	21752366	18226005	14094025	12466073
Amount recognized in Balance Sheet	(615473)	(1619250)	(14094025)	(12466073)

IV) Expense recognized during the year

(Amount in ₹)

Details	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2022-23	2021-22	2022-23	2021-22
Current Service Cost	1428967	1336030	520230	453039
Interest Cost	1255129	1014041	844869	632013
Expected return on plan assets	1363214	(1139501)	-	-
Actuarial (gain) / loss	1727377	1499924	1021357	2433748
Net Cost	5774687	2710494	2386456	3518801

V) Actuarial assumptions

(Amount in ₹)

Details	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2022-23	2021-22	2022-23	2021-22
Mortality Table (LIC)	2012-14 (Ultimate)	2012-14 (Ultimate)	2012-14 (Ultimate)	2012-14 (Ultimate)
Discount rate (per annum)	6.99%	6.99%	7.37%	6.99%
Expected rate of return (per annum)	6.99%	6.99%	-	-
Rate of escalation of salary(per annum)	5.00%	5.00%	5.00%	5.00%
Attrition Rate	7.00%	7.00%	7.00%	7.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The expected rate of return is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the company's policy for plan assets management. The retirement benefit liability in respect of staff on deputation from Indian Bank is borne by Indian Bank.

The company has contributed Rs.25.01Lakhs (previous year- Rs.29.54 lakhs) towards Gratuity liability in the year 2022-23.

9.2.2. INDBANK HOUSING LTD

Company's obligation towards Gratuity Fund and details of actuarial valuation:

(Amount in ₹)

1	Total past service gratuity	NIL
2	Actuarial value past service gratuity	NIL
3	Gratuity Fund with LIC	NIL
4	Contribution payable to LIC	NIL
5	Contribution paid during the year	NIL
6	Balance payable	NIL
7	Risk premium and service tax paid	NIL
8	Assumptions Discounting rate Projections of salary increase	NA

10 SEGMENT REPORTING (CONSOLIDATED) (AS 17)

1. Segment Identification

I. Primary (Business Segment)

- Treasury
- Corporate / Wholesale Banking
- Retail Banking *
- Other Banking Business.

** Further, the Retail Banking segment has been sub-divided into Digital Banking and Other Retail Banking Segment in terms of RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 7, 2022.*

The present accounting and information system of the Bank does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organizational and management reporting structure and the nature of their risk and returns, the data on the primary segments have been computed as under:

i. Treasury -

The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.

ii. Corporate / Wholesale Banking –

The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices.

iii. Retail Banking –

(i) Digital Banking – In compliance with the RBI Circular dated April 7, 2022, the bank has commenced operations at three DBUs during the year ended March 31, 2023. The segment information pertains to the said DBUs' operations.

(ii) Other Retail Banking – This Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs.

iv. Other Banking business —

Segments not classified under (i) to (iii) above are classified under this primary segment.

II. Secondary (Geographical Segment)

i. **Domestic Operations** - Branches/Offices having operations in India

ii. **Foreign Operations** - Branches/Offices having operations outside India and off-shore Banking units having operations in India.

III. Allocation of Expenses, Assets and Liabilities

Expenses incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of segment assets in each segment/ratio of directly attributable expenses. The Bank has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated

(Rs. in Crore)

Part A Business Segments	Treasury		Corporate/Wholesale Banking		Retail Banking		Digitial Banking		Other Retail Banking		Other Banking operations		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue	13781.49	13767.26	18223.54	16082.40	19474.98	15415.12	0.00	NA	19474.98	15415.12	1309.65	1003.37	52789.66	46268.15
Result	5673.24	6355.67	4468.80	3079.29	4702.20	2938.78	-0.25	NA	4702.45	2938.78	503.37	411.62	15347.61	12785.36
Unallocated expenses													9357.66	9522.49
Operating profit													5989.95	3262.87
Minority interest													1.21	2.38
Other unallocable income													243.04	150.30
Income Taxes													659.47	-731.02
Exceptional item													0.00	0.00
Net Profit													5572.31	4141.81
Other information														
Segment Assets	218813.92	240001.83	232908.23	215377.81	249089.62	206008.16	0.93	NA	249088.69	206008.16	2796.14	2382.36	703607.91	663770.16
Unallocated assets													9726.09	10326.27
Total assets													713334.00	674096.43
Segment Liabilities	204039.68	224383.64	217182.35	201362.03	232271.18	192602.11	1.18	NA	232270.00	192602.11	1299.20	1185.25	654792.41	619533.03
Unallocated liabilities													9034.77	9611.47
Capital reserves & Surplus													49506.82	44951.93
Total liabilities													713334.00	674096.43

Part B Geographic Segments	Domestic		International		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue	51747.97	45960.46	1041.69	307.69	52789.66	46268.15
Assets	681713.03	652421.69	31620.97	21674.74	713334.00	674096.43

Segment Revenue and expenses have been apportioned on the basis of segment assets, wherever direct allocation is not possible.

Previous year figures were re-grouped wherever necessary.

Indian Bank Corporate Office Chennai-600 014

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No. 003990S/S200018 CHENNAI

G. NATESAN & CO. CHENNAI CHARTERED ACCOUNTANTS

SARC & ASSOCIATES FRN 006085N Chartered Accountants

KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

11 RELATED PARTY DISCLOSURES (AS 18)

11.1 PARENT

Name of the Related Parties and their relationship with the Bank

a) Subsidiaries:

i) Ind Bank Housing Ltd.

ii) Indbank Merchant Banking Services Ltd.

b) Associates: (Regional Rural Banks)

i) Tamilnadu Grama Bank

ii) Saptagiri Grameena Bank

iii) Puduvai Bharathiar Grama Bank

c) Joint Ventures:

i) Universal Sampo General Insurance Company Ltd

ii) ASREC (India) Ltd

d) Key Managerial Personnel:

Name	Designation	Date of Appointment.	Date of cessation
Shri Shanti Lal Jain	Managing Director & Chief Executive Officer	01.09.2021	
Shri Imran Amin Siddiqui	Executive Director	10.03.2021	
Shri Ashwani Kumar	Executive Director	21.10.2021	
Shri Mahesh Kumar Bajaj	Executive Director	21.11.2022	

e) Shareholding of Non-Executive Directors:

Sl.	Name	Designation	No. of Shares held
1	Dr. Bharath Krishna Sankar	Shareholder Director	300
2	Ms. Papia Sengupta	Shareholder Director	200

Related Party Transaction are as under:

Remuneration paid to key Management personnel during the Year ₹135.84 lakhs (Previous- Year ₹172.37 lakhs)

Details	2022-23	2021-22
Ms. Padmaja Chunduru, MD & CEO Salary & Emoluments Paid (01.04.2021 to 31.08.2021)	--	₹ 40.30 lakhs
Shri Shanti Lal Jain MD& CEO Salary & Emoluments Paid (01.04.2022 to 31.03.2023)	₹ 40.74 lakhs	₹ 20.27 lakhs
Shri Shenoy Vishwanath V., Executive Director Salary & Emoluments Paid (01.04.2021 to 31.03.2022)	--	₹ 32.76 lakhs
Shri K. Ramachandran, Executive Director Salary & Emoluments Paid (01.04.2021 to 30.06.2021)	--	₹ 30.19 lakhs
Shri Imran Amin Siddiqui, Executive Director Salary & Emoluments Paid (01.04.2022 to 31.03.2023)	₹ 36.53 lakhs	₹ 30.00 lakhs
Shri Ashwani Kumar, Executive Director Salary & Emoluments Paid (01.04.2022 to 31.03.2023)	₹ 47.23 lakhs*	₹ 18.85 lakhs
Shri Mahesh Kumar Bajaj, Executive Director Salary & Emoluments Paid (21.11.2022 to 31.03.2023)	₹ 11.34 lakhs	--

*Including House Rent Allowance of Rs. 12.32 lakh.

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No. 003990S/S200018 CHENNAI

G. NATESAN & CO. CHENNAI 600 018 CHARTERED ACCOUNTANTS

SARC & ASSOCIATES FRN 006085N Chartered Accountants

KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants

S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

Other disclosures pertaining to related parties are as under

(₹ in Crore)

Items/Related Party	Parent (as per ownership or control)	Associates/ Joint ventures	Total
Rendering of services	15.28	2.17	15.28
Receiving of services	2.17	15.28	2.17

11.2 SUBSIDIARY COMPANIES:

11.2.1 INDBANK MERCHANT BANKING SERVICES LTD

Key Managerial Personnel:

Managerial Remuneration: (Amt in Lakhs)

Name	Designation		2022-23
Mr. V Haribabu	President & Whole Time Director	Salary	22.70
		Contribution to PF	1.25
Mr. A Rajaraman	President & Whole Time Director (Upto 30.11.2021)	Salary	0.00
		Contribution to PF	0.00
Mr. Tausif Inamdar	Vice President & CFO (From 22.07.2022)	Salary	11.18
		Contribution to PF	0.90
Mr. U Rajkumar	Vice President & CFO (Upto 02.09.2021)	Salary	0.00
		Contribution to PF	0.00
Mrs. Chitra M A	Company Secretary & Compliance Officer	Salary	12.19
		Contribution to PF	1.31
Mr. V Balamurugan	Company Secretary & Compliance Officer (Upto 28.01.2022)	Salary	0.00
		Contribution to PF	0.00
Sitting Fees paid to Non – Whole Time Independent Directors			5.67

President and Whole Time Director of the Company is on deputation from Indian Bank and the remuneration is in accordance with the service rules of the said Bank and also in terms of appointment as 'Whole Time Director' by the shareholders of the Company.

Vice President & CFO of the Company is on deputation from Indian Bank and the remuneration is in accordance with the service rules of the said Bank.

Company Secretary & Compliance Officer has been recruited directly by the company and the remuneration is in accordance with the terms of offer of employment given by the company.

11.2.2 **IND BANK HOUSING LTD.**

Managing Director of the Company is on deputation from Indian Bank and is drawing remuneration from Ind Bank Merchant Banking Services Ltd. as President of that Company. Hence no remuneration is paid by this Company.

Other related parties are State controlled Enterprises and hence no disclosures are required as per paragraph 9 of AS 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of banker-customer relationship are not required to be disclosed.

12. LEASE (AS 19)
12.1 PARENT

a) The properties taken on lease / rental basis are renewable / cancellable at the option of the Bank.

b) The leases entered into by the Bank are for agreed period with an option to terminate the leases even during the currency of lease period by giving agreed calendar month notice in writing.

c) Lease rent paid for operating leases are recognized as an expense in the Profit & Loss account in the year to which it relates. The lease rent recognized during the year is Rs.399.08 Crore. (Previous year Rs.417.00 Cr).

d) Finance Lease

An asset acquired on finance lease comprises plant and equipment and land. The leases have a primary period, which is fixed and non-cancellable. The Bank has an option to renew the lease for a secondary period.

The minimum lease rentals and the present value of minimum lease payments in respect of assets acquired under finance lease are as follows:

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Payable not later than 1 year	0	0	0	0
Payable later than 1 year and not later than 5 years	0	0	0	0
Payable later than 5 years	0	0	0	0
Total	0	0	0	0
Less: Future finance charges				
Present value of minimum lease payments	0	0	0	0

12.2 SUBSIDIARY COMPANIES

12.2.1 INDBANK MERCHANT BANKING SERVICES LTD

In case of assets taken on lease

The company has operating leases for office premises at various locations with the Parent. The future minimum payments required under non-cancellable operating leases at year-end are as follows:

(₹ in lakhs)

Details	As on 31.03.2023	As on 31.03.2022
Lease payments for the year	24.40	21.71
Minimum Lease payments: Not later than one year	0.00	0.00
Later than one year but not later than five years	0.00	0.00
Later than five years	0.00	0.00

13. EARNINGS PER SHARE (AS 20)

Particulars		2022-23	2021-22
Net Profit after tax available for equity shareholders (₹crore		5572.31	4141.81
Number of Equity Shares		1245441139	1245441139
Weighted Number of equity shares		1245441139	1218410075
Basic Earning Per Share	₹	44.74	33.99
Diluted Earning Per Share	₹	44.74	33.99
Nominal value per Equity Share	₹	10.00	10.00

14. CONSOLIDATED FINANCIAL STATEMENT (AS 21)

The consolidated financial statements are prepared in accordance with the Accounting Standard (AS 21), "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI) and the guidelines issued by the Reserve Bank of India on preparation of Consolidated Financial Statements.

The consolidated financial statements are based on the audited financial statements of Indian Bank (parent) and audited financial statements of its subsidiaries, viz., (1) Indbank Housing Ltd. and (2) Indbank Merchant Banking Services Ltd.

Consolidated figures as on 31.03.2023 includes ₹243.04 crores being share of the audited profit of 3 Associates viz, M/s Puduvai Bharathiar Grama Bank , M/s Sapthagiri Grameena Bank and M/s Tamilnadu Grama Bank, and ₹58.23 Crores being the share in unaudited profit of two joint ventures viz. 1) Universal Sampo General Insurance Company Ltd. and 2) ASREC (India) Ltd

15. ACCOUNTING FOR TAXES ON INCOME (AS 22)

15.1 PARENT

a. Current Tax: Provision for income tax for domestic operations made during the current year amounts to Rs. 1178.64 Crore including provision for tax on foreign branches relating to earlier years made in the current year amounts to Rs. 8.34 Crore. Provision for income tax made in foreign branches during the current year amounts to Rs. 15.74 Crore. The current tax has been calculated in accordance with the provisions of Income Tax Act 1961.

b. Deferred Tax: The Bank has a net DTA of Rs. 4434.56 Crore (Previous year net DTA of Rs. 3872.91 Crore), included under under 'Other Assets'. The major components of DTA and DTL is given below:

(Amount in Crore)

Sl. No.	Particulars	31.03.2023	31.03.2022
	Deferred Tax Assets		
1	Liabilities provision allowable on payment/ crystallization	275.43	219.35
2	FCTR (Foreign Currency Translation Reserve)	122.57	99.08
3	Provision for Gratuity	0.04	0.06

Sl. No.	Particulars	31.03.2023	31.03.2022
4	Provision for Bad Debts	3864.41	3856.25
5	Provision for restructured Assets, AQR,S4A, stressed Assets	1094.72	588.06
6	Depreciation on Fixed Assets	102.79	87.26
	Total DTA	**5459.96**	**4850.06**
	Deferred Tax Liabilities		
1	Depreciation on Fixed Assets	44.40	44.40
2	Provision for written off accounts	363.15	363.15
3	Staff Welfare Retrieval	4.11	4.11
4	Special Reserve u/s 36(1)(viii)	613.74	565.49
	Total DTL	**1025.40**	**977.15**
	Net DTA/(DTL)	**4434.56**	**3872.91**

15.2 SUBSIDIARY COMPANIES:

15.2.1 INDBANK MERCHANT BANKING SERVICES LTD

The major components of deferred tax asset/liability are as below: ₹

	Deferred Tax			
	As on 31.03.2023		As on 31.03.2022	
	Asset	Liability	Asset	Liability
i) Timing difference in depreciable assets		9112839		9355398
ii) Provision for Bad debts and NPAs	29001415		36142094	
iii) Others	3851703		3661463	
Total	**32853118**	**9112839**	**39803557**	**9355398**
NET DTA / (DTL)	**23740279**		**30448159**	

16. DISCLOSURE REQUIREMENTS UNDER AS 24–DISCONTINUED OPERATIONS

16.1. SUBSIDIARY COMPANIES:

16.1.1 INDBANK MERCHANT BANKING SERVICES LTD

Information reported to the Chief Operating Decision Maker (CODM - Board of Directors) for the purposes of resource allocation and assessment of segment performance focuses on the Company as a whole. Hence, the management has concluded that the Company has only one segment.

The Company had discontinued fund-based activities consequent to SEBI regulations coming into force with effect from December 1997 and had decided to undertake only fee-based activities. The existing fund based exposures as on December 1997 are continued to run down to their contracted period. The Company had obtained cancellation of registration as NBFC from RBI consequent to repayment of fixed deposits and transfer of unclaimed fixed deposits to IEPF.

17. SUBSIDIARY COMPANIES:

17.1 INDBANK MERCHANT BANKING SERVICES LTD

Indian Bank, the parent Bank, had approved a moratorium period of 3 years from September 2013 to September 2016 for repayment of the amount of Rs. 897.48 lakhs payable to them under the Right of Recompense clause with repayment of Rs. 75 lakhs per half year to commence from the half year ending 31.03.2017 without any interest charge for the period of moratorium/repayment. Accordingly, the company has repaid the entire amount to Indian Bank and there no amount pending to be paid as on 31.03.2023.

18. **Financial Reporting of Interest in Joint ventures (AS-27):**

Investments include Rs.142.50 crore representing Bank's interest in the following joint controlled entities:

Name of Entity	Country / Residence	Relationship	Ownership interest	Amount of shareholding (Rs in Crore)
Universal Sompo General Insurance Company Ltd.	India	Joint Venture	28.52 %	105.00
Asrec (India) Ltd.	India		38.26%	37.50

As required by AS 27, the aggregate amount of the assets, liabilities, income, expenses, contingent liabilities and commitments related to the Bank's interests in jointly controlled entities are disclosed as under:

(₹ in Crore)

Particular	31.03.2023	31.03.2022
Liabilities		
Capital & Reserves	437.90	391.69
Deposits	0.00	0.00
Borrowings	19.38	8.54
Other Liabilities & Provisions	1271.32	1174.50
TOTAL	**1728.60**	**1574.73**
Assets		
Cash and Balances with RBI	0.10	0.05
Balances with Banks and money at call and short notice	54.81	30.40
Investments	1337.92	1146.12
Advances	0.00	0.00
Fixed Assets	18.07	11.37
Other Assets	317.70	386.79
TOTAL	**1728.60**	**1574.73**
Capital Commitments		
Other Contingent Liabilities	**46.76**	**48.05**
Income		
Interest earned	5.99	6.04
Other Income	695.48	478.41
TOTAL	**701.47**	**484.45**
Expenditure		
Interest expended	1.81	2.36

Operating expenses	620.43	420.65
Provisions & Contingencies	25.46	17.63
TOTAL	645.90	440.64
Profit	53.77	43.81

19. **Impairment of Assets (AS-28):**

PARENT

In the opinion of the Bank's Management, there is no indication of impairment to the Assets during the year to which Accounting Standard 28–"Impairment of Assets" applies.

20. **Provisions, Contingent Liabilities and Contingent Assets (AS-29):**

(Amount in ₹ crore)

PARENT

Particulars	Opening as on 01.04.2022	Provision made during the year	Provision reversed / adjusted	Closing as on 31.03.2023
Movement of Provisions for claim against bank not acknowledged as debt	215.91	4.22	2.45	217.68

21. BANCASSURANCE BUSINESS

18.1 PARENT

During the current year, the Bank has earned commission, etc, to the extent of Rs.136.35 Crore on sale/marketing of various Bancassurance products / Mutual Funds (previous year Rs.85.01 Crore).

(Amount ₹ in Crore)

Sl No.	Nature of Income	2021-22	2020-21
1	For Selling Life Insurance Policies	100.37	56.22
2	For selling Non-life insurance policies	29.42	26.42
3	Others – For selling Mutual Fund Products	6.56	2.37
	Total	**136.35**	**85.01**

21.2. SUBSIDIARY COMPANIES:

21.2.1 INDBANK MERCHANT BANKING SERVICES LTD

The details of fees / brokerage earned in respect of insurance broking, agency and bancassurance business undertaken by them shall be disclosed for both the current year and previous year.

(Amount ₹ in crore)

Sr No.	Nature of Income	2022-23	2021-22
1	For Selling Life Insurance Policies	NIL	NIL
2	For selling Non-life insurance policies	NIL	NIL
3	From Selling of Health Insurance policies	NIL	NIL
4	Others – For selling Mutual Fund Products	NIL	NIL

5	Others – For mobilizing leads of Bank's Home Loan Products	0.09	NIL
	Total		

22. Legal

PARENT

Contingent liabilities include an A/c M/s Nimbus Communication Ltd., Guarantees were issued by Consortium Banks favouring BCCI aggregating to Rs.1602.44 Crore. BCCI filed suit against Consortium Banks claiming guarantee liability wherein claimed aggregating to Rs.406.47 Cr was made against the Bank. In the suit, conditional leave to defend was granted on making payment of Rs.400 crores, wherein our Bank's share is Rs.100 crores. Remittance of our Bank's share of Rs.100 crores was made with the Prothonotary and Senior Master of the Hon'ble High Court of Bombay. The summary suit is pending adjudication before Hon'ble High Court of Bombay.

For this claim against the Bank by BCCI, Bank is having a sum of Rs.15.94 Crore as provision under the head 'Provision for Other Contingencies' after taking into consideration a sum of Rs.84.06 Crore held as security-margin money as on 31.03.2023 and a sum of Rs.15.32 Crores as provision under the head 'Contingent Fund–Claim made against the bank'. Total provision aggregating to Rs. 31.26 Crore.

23. ADDITIONAL DISCLOSURES

PARENT

a) Inter- Bank/Company balances between group entities are being reconciled on an ongoing basis. No material effect is expected on the profit and loss account of the current year of such reconciliation.

b) In accordance with current RBI guidelines, the general clarification issued by ICAI has been considered in the preparation of the consolidated financial statements. Accordingly, additional statutory information disclosed in separate financial statements of the parent and its subsidiaries having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements in view of the Accounting Standard Interpretation issued by ICAI.

PARENT

As per information available with the Bank, there is no outstanding dues payable by the Bank to MSME units identified by the Bank, which is pending beyond the time limit prescribed under MSMED Act, 2006 and there have been no reported cases of accepted liability of delayed payments of principal amount or interest thereon for such parties during the year

Previous year's figures have been regrouped / reclassified, wherever necessary, to conform to current year's figures.

S L Jain
Managing Director & CEO

Ashutosh Choudhury
Executive Director

Mahesh Kumar Bajaj
Executive Director

Ashwani Kumar
Executive Director

Imran Amin Siddiqui
Executive Director

DIRECTORS

Maruthi Prasad Tangirala
Government Nominee Director

Aditya Gaiha
RBI Nominee Director

Bharath Krishna Sankar
Shareholder Director

Papia Sengupta
Shareholder Director

Balmukund Sahay
Part Time Non Official Director

Vishvesh Kumar Goel
Part Time Non Official Director

Place: Chennai
Date:08.05.2023

General Manager-CFO

STATUTORY CENTRAL AUDITORS

For M/s. P K F Sridhar & Santhanam LLP
Chartered Accountants
FR No. 003990S/S200018

P DEVI
Partner
(M. No.223137)
UDIN:
23223137BGYLPZ9651

For M/s. G Natesan & Co
Chartered Accountants
FR No. 002424S

V MARGASAHAYAM
Partner
(M. No. 020555)
UDIN:
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For S A R C & ASSOCIATES
Chartered Accountants
FR No. 006085N

CHETAN THAKKAR
Partner
(M. No. 114196)
UDIN:
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For M/s. Kailash Chand Jain & Co
Chartered Accountants
FR No. 112318W

SANDEEP K JAIN
Partner
(M. No. 110713)
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23110713BGYOGR5630

For M/s. S Singhal & Co
Chartered Accountants
FR No. 001526C

MUKESH KUMAR KHANDELWAL
Partner
(M. No. 074661)
UDIN:
23074661BGXKJE6824

Independent Auditors' Report on Consolidated Financial Results for Quarter and Year ended 31st March, 2023 of Indian Bank pursuant to the Regulation 33 and 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors
Indian Bank
Chennai

Report on the Audit of Consolidated Financial Results

Opinion

1. We have audited the accompanying Statement of Consolidated Financial Results of Indian Bank ("the Parent"/ "Bank")and its subsidiaries (the parent and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, for the quarter ended and year ended 31st March, 2023 ("the Statement"), attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 and 52 read with regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") except for the disclosures relating to consolidated Pillar 3 disclosure as at 31st March, 2023, including "leverage ratio", "net stable funding ratio" and "liquidity coverage ratio" under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the financial report and have not been audited by us.

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate audited financial statements/Financial information of two subsidiaries, three associates and two jointly controlled entities, the aforesaid financial Results:

   i. include the financial results of the following entities:

Name of the Entity	Relationship
Indian Bank	Parent
Indbank Merchant Banking Services Ltd	Subsidiary
Ind Bank Housing Ltd	Subsidiary
Tamilnadu Grama Bank	Associate

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No. 003990S/S200018 CHENNAI
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SARC & ASSOCIATES FRN 006085N Chartered Accountants
KAILASHCHAND JAIN & CO. MUMBAI Chartered Accountants
S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

Name of the Entity	Relationship
Saptagiri Grameena Bank	Associate
Puduvai Bharathiar Grama Bank	Associate
ASREC (India) Ltd	Joint Venture
Universal Sompo General Insurance Company Ltd	Joint Venture

ii. are presented in accordance with the requirements of Regulation 33& 52 read with 63(2) of the Listing Regulations except for the disclosures relating to consolidated Pillar 3 disclosure as at 31st March, 2023, including "leverage ratio", "net stable funding ratio" and "liquidity coverage ratio" under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the consolidated Financial Results and have not been audited by us; and

iii. give a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India, of the consolidated net profit and other financial information of the Group for the quarter and year ended 31st March, 2023.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Results' section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors' Responsibility for the Consolidated Financial Results:

4. These Consolidated Financial Results have been compiled from the related audited Annual Consolidated Financial Statements. The Bank's Board of Directors are responsible for the preparation of these Consolidated Financial Results that give a

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true and fair view of the net profit and other financial information of the Group including its associates and jointly controlled entities in accordance with the recognition and measurement principles laid down in Accounting Standards issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines"), judicial pronouncements and other accounting principles generally accepted in India and in compliance with Regulation 33& 52 read with reg 63(2) of the Listing Regulations. The respective Board of Directors of the entities included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Banking Regulations Act, 1949 for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

5. In preparing the Consolidated financial Results, the respective Board of Directors of the entities included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

6. The respective Board of Directors of the entities included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditors' Responsibilities for the Audit of the Consolidated Financial Results

7. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Results. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i. Identify and assess the risks of material misstatement of the Consolidated Financial Results, 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.

ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

iv. Conclude on the appropriateness of the Board of Directors' 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 Associates and Jointly controlled entities 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 Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

v. 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.

vi. Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the

Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

8. We communicate with those charged with governance regarding, amongst 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.

9. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

10. The consolidated financial results include the audited financial results/statements and other financial information in respect of

   a) Two (02) subsidiaries, whose financial results/statement reflect Group's share of total assets ofRs.70.10 crores as at 31st March, 2023, Group's share of total revenue of Rs. 4.28Crores and Rs. 17.64Crores and Group's share of total net profit after tax of Rs.0.26 crores and Rs.0.84 crores for the quarter and year ended 31stMarch 2023 respectively, as considered in the consolidated Financial Results.

   b) Three (03) associates whose financial results/statement reflect Group's share of Net Profit after Tax of Rs 57.80 crores and Rs.243.04 crores for the quarter and year ended 31st March 2023 respectively as considered in the consolidated Financial Results.

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S. SINGHAL & CO. FRN 001526C JAIPUR CHARTERED ACCOUNTANTS

Their respective independent Auditors have audited the same and these independent auditors' reports on financial statements/results of these entities have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are stated in paragraph above.

11. The consolidated financial results include the unaudited financial results/statements and other financial information in respect of:
    a) Two (02) jointly controlled entities whose financial results/statements reflect Group's share of total assets of Rs. 1,727.51 crores as at 31st March, 2023, Group's share of total revenue of Rs. 176.48 Crores and Rs. 700.85 Crores and Group's share of total net profit after tax of Rs. 16.94 crores and Rs. 58.23 crores for the quarter and year ended 31st March 2023 respectively, as considered in the consolidated Financial Results.

These financial statements are unaudited and have 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 jointly controlled entities and associate, and our report in so far as it relates to the aforesaid jointly controlled entities and associate, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial results/financial information certified by the Management.

12. We Report that the figure for the quarter ended 31st March, 2023 represent the balancing figures between the audited figures in respect of the financial year ended 31st March, 2023 and the published unaudited year to-date figures up to 31st December, 2022 which were subjected to limited review by us, as required under Listing Regulations.

13. The Consolidated Financial results of the Bank for the previous year ended 31st March, 2022 were audited by the joint auditors, two of them are predecessor audit firms and had expressed unmodified opinion on such financial results..

Our opinion is not modified in respect of above matters.

For PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants
FR No. 003990S/S200018

P. Devi

P. DEVI
Partner
(M. No. 223137)
UDIN: 23223137BGYLPZ9651

For G NATESAN & CO
Chartered Accountants
FR No. 002424S

V.MARGASAHAYAM
Partner
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For S A R C & ASSOCIATES
Chartered Accountants
FR No. 006085N

CHETAN THAKKAR
Partner
(M. No. 114196)
UDIN: 23114196BGUMAZ2710

For KAILASH CHAND JAIN & CO
Chartered Accountants
FR No. 112318W

SANDEEP K JAIN
Partner
(M. No. 110713)
UDIN: 23110713BGYQGR5630

For S SINGHAL & CO
Chartered Accountants
FR No. 001526C

MUKESH KUMAR KHANDELWAL
Partner
(M. No.074661)
UDIN: 23074661BGXKJE6824

Place of Signature: Chennai
Date of Report: 08.05.2023

इंडियन बैंक Indian Bank
इलाहाबाद ALLAHABAD

Standalone Balance Sheet as on 31st Mar, 2022

Rs in thousand

Particulars	Sch. No.	As on 31.03.2022 (Audited)	As on 31.03.2021 (Audited)
CAPITAL & LIABILITIES			
Capital	1	1245 44 11	1129 36 66
Reserves and Surplus	2	42463 36 31	37282 57 83
Deposits	3	593617 81 37	538071 11 49
Borrowings	4	17144 30 85	24734 33 12
Other Liabilities & Provisions	5	17197 12 87	22209 27 48
TOTAL		**671668 05 51**	**623426 66 58**
ASSETS			
Cash & Balances with R B I	6	24054 40 91	27545 08 17
Balances with Banks and Money at Call and Short Notice	7	55861 64 25	23919 39 05
Investments	8	174558 58 80	176536 96 62
Advances	9	389186 06 32	362669 07 96
Fixed Assets	10	7683 71 16	7376 31 14
Other Assets	11	20323 64 07	25379 83 64
TOTAL		**671668 05 51**	**623426 66 58**
Contingent Liabilities	12	353514 04 83	293533 46 10
Bills for Collection	-	14144 89 14	12620 72 77

Place : Chennai
Date : 11.05.2022

General Manager - Accounts

S L Jain
Managing Director & CEO

Ashwani Kumar
Executive Director

Imran Amin Siddiqui
Executive Director

DIRECTORS

Sanjeev Kaushik
Government Nominee Director

Aditya Gaiha
RBI Nominee Director

Bharath Krishna Sankar
Shareholder Director

Papia Sengupta
Shareholder Director

Balmukund Sahay
Part time Non Official Director

Vishvesh Kumar Goel
Part time Non Official Director

STATUTORY CENTRAL AUDITORS

For M/s. SRIRAMAMURTHY & CO
Chartered Accountants
FR No. 003032S

Partner M. PRATYUSHA
(M. No. 254141)
UDIN:

For M/s. RAVI RAJAN & CO LLP
Chartered Accountants
FR No. 009073N / N500320

Partner SUMIT KUMAR
(M No. 512555)
UDIN:

For M/s. P K F Sridhar & Santhanam LLP
Chartered Accountants
FR No. 003990S/S200018

Partner P DEVI
(M. No. 223137)
UDIN:

For M/s. G Natesan & Co
Chartered Accountants
FR No. 002424S

Partner VARALAKSHMI MURALI
(M. No. 028863)
UDIN:

For M/s. S A R C & ASSOCIATES
Chartered Accountants
FR No. 006085N

Partner CHETAN THAKKAR
(M. No. 114196)
UDIN:

Standalone Profit and Loss Accounts for the Year Ended 31st Mar, 2022

Rs in Thousand

Particulars	Sch. No.	Y.E. 31.03.2022 (Audited)	Y.E. 31.03.2021 (Audited)
I. INCOME			
Interest earned	13	38856 22 07	39105 78 65
Other Income	14	6915 44 97	5650 18 96
TOTAL		**45771 67 04**	**44755 97 61**
II. EXPENDITURE			
Interest expended	15	22128 27 05	23439 83 90
Operating expenses	16	10926 50 28	10349 55 28
Provisions & Contingencies	-	8772 07 65	7961 90 66
TOTAL		**41826 84 98**	**41751 29 84**
III.PROFIT/LOSS			
Net Profit / Loss (-) for the Year		3944 82 06	3004 67 77
Profit / Loss (-) Brought forward		100 16 28	99 16 27
Less: Other Adjustments		-23 21 49	-101 67 04
TOTAL		**4021 76 85**	**3002 17 00**
IV. APPROPRIATIONS			
Transfer to :			
Statutory Reserves		986 21 00	751 17 00
Capital Reserves		147 90 00	47 71 00
Special Reserves u/s 36(1)(viii)		108 35 00	
Revenue Reserves		1800 00 00	1387 34 39
Staff Welfare Fund		40 00 00	25 00 00
Investment Fluctuation Reserve			464 91 00
Equity Dividend		809 53 67	225 87 33
Bal. carried over to Balance Sheet		129 77 18	100 16 28
TOTAL		**4021 76 85**	**3002 17 00**
Earnings Per Share in Rs. (basic & diluted)		32.38	26.61

Place : Chennai
Date : 11.05.2022

General Manager - Accounts

इंडियन बैंक Indian Bank
इलाहाबाद ALLAHABAD

S L Jain
Managing Director & CEO

Ashwani Kumar
Executive Director

Imran Amin Siddiqui
Executive Director

DIRECTORS

Sanjeev Kaushik
Government Nominee Director

Aditya Gaiha
RBI Nominee Director

Bharath Krishna Sankar
Shareholder Director

Papia Sengupta
Shareholder Director

Balmukund Sahay
Part time Non Official Director

Vishvesh Kumar Goel
Part time Non Official Director

For M/s. SRIRAMAMURTHY & CO
Chartered Accountants
FR No. 003032S
Partner M. PRATYUSHA
(M. No. 254141)
UDIN:

For M/s. RAVI RAJAN & CO LLP
Chartered Accountants
FR No. 009073N / N500320
Partner SUMIT KUMAR
(M No. 512555)
UDIN:

For M/s. P K F Sridhar & Santhanam LLP
Chartered Accountants
FR No. 003990S/S200018
Partner P DEVI
(M. No. 223137)
UDIN:

For M/s. G Natesan & Co
Chartered Accountants
FR No. 002424S
Partner VARALAKSHMI MURALI
(M. No. 028863)
UDIN:

For M/s. S A R C & ASSOCIATES
Chartered Accountants
FR No. 006085N
Partner CHETAN THAKKAR
(M. No. 114196)
UDIN:

(Rs. in thousands)

Particulars	As on 31.03.2022	As on 31.03.2021
SCHEDULE 1 - CAPITAL		
I. Authorised Capital		
300,00,00,000 Equity Shares of Rs.10/- each	3000 00 00	3000 00 00
II. Issued, Subscribed and Paid up:		
Equity Shares:		
a) 99,45,49,600 Equity shares of Rs.10/- each held by Government of India (P.Y.- 99,45,49,600 Equity shares of Rs. 10/- each)	994 54 96	994 54 96
b) 25,08,91,539 Equity shares of Rs.10/- each held by Public (P.Y. 13,48,16,970 Equity shares of Rs.10/- each)	250 89 15	134 81 70
TOTAL	**1245 44 11**	**1129 36 66**
SCHEDULE 2 - RESERVES AND SURPLUS		
I. STATUTORY RESERVES		
a) Opening Balance	8649 75 51	4694 19 81
b) Additions during the period (*)	986 21 00	3955 55 70
c) Deductions during the period	0	0
TOTAL I	**9635 96 51**	**8649 75 51**
II. CAPITAL RESERVES		
A) Revaluation Reserve		
a) Opening Balance	5754 96 63	2987 84 42
b) Additions during the period(*)	599 48 14	2909 98 72
c) Deductions during the period	143 42 51	142 86 51
TOTAL (A)	**6211 02 26**	**5754 96 63**
B) Others		
a) Opening Balance	913 00 74	388 55 24
b) Additions during the period(*)	147 90 00	524 45 50
c) Deductions during the period	0	0
TOTAL (B)	**1060 90 74**	**913 00 74**
TOTAL II (A + B)	**7271 93 00**	**6667 97 37**

Particulars	As on 31.03.2022	(Rs. in thousands) As on 31.03.2021
III. SHARE PREMIUM		
a) Opening Balance	857 61 90	4026 65 23
b) Additions during the period(*)	1533 92 54	15806 49 62
c) Deductions during the period	0	18975 52 95
TOTAL III	**2391 54 44**	**857 61 90**
IV. REVENUE AND OTHER RESERVES		
A) Revenue Reserve		
a) Opening Balance	13124 31 94	7448 29 29
b) Additions during the period(*)	1800 00 00	5533 16 14
c) Tfrd from Revaluation Reserve	1434251	142 86 51
d) Deductions during the period	0	0
TOTAL (A)	**15067 74 45**	**13124 31 94**
B) Special Reserve U/S 36(1)(viii) of IT Act		
a) Opening Balance	2175 52 00	725 52 00
b) Additions during the period(*)	1083500	1450 00 00
c) Deductions during the period	0	0
TOTAL (B)	**2283 87 00**	**2175 52 00**
C) Special Reserve U/S 36(1)(viii a) of IT Act		
a) Opening Balance	58 20 00	58 20 00
b) Additions during the period	0	0
c) Deductions during the period	0	0
TOTAL (C)	**58 20 00**	**58 20 00**
D) Investment Fluctuation Reserve		
a) Opening Balance	1031 90 00	566 99 00
b) Additions during the period	0	4649100
c) Deductions during the period	0	0
TOTAL (D)	**1031 90 00**	**1031 90 00**
E) Investment Reserve		
a) Opening Balance	186 37 77	47 79 22
b) Additions during the period(*)	0	138 58 55
c) Deductions during the period	0	0
TOTAL (E)	**186 37 77**	**186 37 77**

Indian Bank Corporate Office Chennai-600 014 Accounts Department

Sriramamurthy & Co. 03032S Chartered Accountants

Ravi Rajan & Co. LLP New Delhi Chartered Accountants

PKF Sridhar & Santhanam LLP Firm Regn No.: 003990S/S200018 Chennai

G. Natesan & Co. Chennai 600 018 Chartered Accountants

Sarc & Associates New Delhi Chartered Accountants

Particulars	As on 31.03.2022	(Rs. in thousands) As on 31.03.2021
F) Foreign Currency Translation Reserve		
a) Opening Balance	421 92 88	437 26 31
b) Additions during the period		
c) Deductions during the period	24 69 10	15 33 43
TOTAL (F)	**397 23 78**	**421 92 88**
G) IRS Reserve		
a) Opening Balance	1 90 63	0
b) Additions during the period(*)	0	1 90 63
c) Deductions during the period	0	0
TOTAL (G)	**1 90 63**	**1 90 63**
TOTAL IV (A + B + C + D+ E + F + G)	**19027 23 63**	**17000 15 22**
V. AMALGAMATION RESERVE		
a) Opening Balance	4006 91 55	0
b) Additions during the period	0	4006 91 55
c) Deductions during the period	0	0
TOTAL V	**4006 91 55**	**4006 91 55**
VI. PROFIT & LOSS ACCOUNT		
Opening Balance	100 16 28	99 16 27
Additions during the period	3944 82 06	1026705
Deductions during the period	3915 21 16	19077 19 99
Adjustments from Share Premium		18975 52 95
TOTAL VI	**129 77 18**	**100 16 28**
TOTAL (I+II+III+IV+V+VI)	**42463 36 31**	**37282 57 83**

(*) Addition/deduction during FY 2020-21 include e-AB reserves

SCHEDULE 3 - DEPOSITS

A. I. DEMAND DEPOSITS		
i) From Banks	125 59 55	289 29 18
ii) From Others	36594 73 39	32055 27 51
TOTAL	**36720 32 94**	**32344 56 69**

Sriramamurthy & Co. Chartered Accountants 03032S

Ravi Rajan & Co. LLP Chartered Accountants New Delhi

PKF Sridhar & Santhanam LLP Firm Regn No. 003990S/S200018 Chennai

G. Natesan & Co. Chartered Accountants Chennai 600 018

(Rs. in thousands)

Particulars	As on 31.03.2022	As on 31.03.2021
II. SAVINGS BANK DEPOSITS	**211205 86 14**	**195250 29 37**
III. TERM DEPOSITS		
i) From Banks	6067 87 21	5323 09 87
ii) From Others	339623 75 06	305153 15 56
TOTAL	**345691 62 27**	**310476 25 43**
TOTAL (I+II+III)	**593617 81 35**	**538071 11 49**
B. I) Deposits of branches in India	584660 65 57	529264 23 30
II) Deposits of branches outside India	8957 15 80	8806 88 19
TOTAL (I+II)	**593617 81 37**	**538071 11 49**

SCHEDULE 4 - BORROWINGS

Particulars	As on 31.03.2022	As on 31.03.2021
I. BORROWINGS IN INDIA		
i) Reserve Bank of India	0	5032 04 04
ii) Other Banks	5 12	13 72
iii) Other Institutions and Agencies *	15285 01 00	14935 73 74
TOTAL	**15285 06 12**	**19967 91 50**
II. BORROWINGS OUTSIDE INDIA **	1859 24 73	4766 41 62
TOTAL (I+II)	**17144 30 85**	**24734 33 12**
Secured Borrowings included above	0	5032 04 04

* includes AT-1 Capital -Perpetual Debt Instrument of Rs. 2000 00 00 (P.Y. Rs. 2000 00 00) and Tier II Capital - Subordinated debt of Rs. 7000 00 00 (P.Y. Rs. 7600 00 00).

** Includes pipeline and un-adjusted items in Nostro Mirror Balances

Particulars	As on 31.03.2022	(Rs. in thousands) As on 31.03.2021
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	1585 16 73	1443 91 42
II. Inter Office Adjustments(Net)	0	5073 01 52
III. Interest Accrued	994 13 29	1041 86 06
IV. Others(including Provisions) *	14617 82 85	14650 48 48
TOTAL (I+II+III+IV)	**17197 12 87**	**22209 27 48**
* includes Contingent Provisions against Standard Assets of Rs. 378 88 304		
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	1962 39 75	1658 27 76
II. Balances with Reserve Bank of India in Current Account	22092 01 16	25886 80 41
TOTAL (I+II)	**24054 40 91**	**27545 08 17**
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. IN INDIA		
i) Balances with Banks		
a) in Current Account	6 17 63	95 08 44
b) in Other Deposit Accounts	1386 15 22	2046 43 44
TOTAL (i)	**1392 32 85**	**2141 51 88**
ii) Money at Call and Short Notice (with Banks)	34500 20 06	8900 00 01
TOTAL (ii)	**34500 20 06**	**8900 00 01**
TOTAL (i + ii)	**35892 52 91**	**11041 51 89**
II. OUTSIDE INDIA		
i) in Current Accounts	503 97 97	1577 67 70
ii) in other Deposit Accounts	19453 09 25	11270 82 04
iii) Money at Call and Short Notice	12 04 12	29 37 42
TOTAL (i + ii + iii)	**19969 11 34**	**12877 87 16**
GRAND TOTAL (I +II)	**55861 64 25**	**23919 39 05**

Particulars	As on 31.03.2022	(Rs. in thousands) As on 31.03.2021
SCHEDULE 8 - INVESTMENTS		
I. INVESTMENTS IN INDIA		
Gross Investments	178434 87 83	179570 44 81
Less: Provsion for Depreciation &NPI	3656 54 63	3437 58 50
Less: Provision on Security Receipts	1922 31 20	1922 31 20
Net Investments	**172856 02 00**	**174210 55 11**
i) Government Securities	140386 99 79	157550 39 28
ii) Other approved Securities		5 22 76
iii) Shares	1198 42 29	986 58 19
iv) Debentures and bonds	30442 35 19	13359 15 13
v) Subsidiaries and/or joint ventures (including Associates)	216 16 81	216 16 81
vi) Others	612 07 92	2093 02 94
TOTAL	**172856 02 00**	**174210 55 11**
II. INVESTMENT OUTSIDE INDIA		
Gross Investments	**1800 52 30**	**2420 89 82**
Less: Provsion for Depreciation &NPI	97 95 50	94 48 31
Net Investments	**1702 56 80**	**2326 41 51**
i) Government Securities (including local authorities)	1702 00 91	2325 81 80
ii)Other investments		0
a) Shares	55 89	59 71
TOTAL	**1702 56 80**	**2326 41 51**
NET GRAND TOTAL (I+II)	**174558 58 80**	**176536 96 62**
SCHEDULE 9 -ADVANCES		
i) Bills purchased and discounted	3430 05 82	2131 34 96
ii) Cash Credit, Overdrafts and loans repayable on demand	245298 43 89	220090 98 14
iii) Term Loans	140457 56 61	140446 74 86
TOTAL	**389186 06 32**	**362669 07 96**
i) Secured by tangible assets (includes advance against book debts)*	322961 60 18	320789 57 49
ii) Covered by bank/Government guarantee	39614 40 28	22887 65 72
iii)Unsecured	26610 05 86	18991 84 75
TOTAL	**389186 06 32**	**362669 07 96**

SRIRAMAMURTHY & CO. 03032S Chartered Accountants

Ravi Rajan & Co. LLP Chartered Accountants

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No. 003990S/S200018 CHENNAI

G. NATESAN & CO. CHENNAI 600 018 CHARTERED ACCOUNTANTS

SARC & ASSOCIATES CHARTERED ACCOUNTANTS

Particulars	As on 31.03.2022	(Rs. in thousands) As on 31.03.2021
I. ADVANCES IN INDIA		
i) Priority Sector #	163407 15 71	156301 47 15
ii) Public Sector	67147 92 02	64398 77 88
iii) Banks	0	169 24 06
iv) Others	139011 84 53	131526 73 67
TOTAL	**369566 92 26**	**352396 22 76**
II. ADVANCES OUTSIDE INDIA		
i) Dues from Banks	11105 63 45	4475 58 45
ii) Dues from others		
a) Bills Purchased and discounted	2541 53 44	771 16 66
b) Syndicated loans	4650 75 16	3515 42 23
c) Others	1321 22 01	1510 67 86
TOTAL	**19619 14 06**	**10272 85 20**
GRAND TOTAL (I+II)	**389186 06 32**	**362669 07 96**

* includes advances against Book Debt: ₹67000 84 07 , (previous year: ₹63247 10 63)

RIDF is not included

SCHEDULE 10 -FIXED ASSETS

Particulars	As on 31.03.2022	As on 31.03.2021
I. PREMISES (Incl. Revalued Premises)		
At cost/revaluation as per the last Balance Sheet	6857 35 52	6853 35 76
Additions/Adjustments during the year	601 20 96	3 99 76
Sub-Total	7458 56 48	6857 35 52
Deductions during the year	4 68 50	
Sub-Total	7453 87 98	6857 35 52
Depreciation to date	1412 80 63	1243 94 40
TOTAL	**6041 07 35**	**5613 41 12**
II. LEASED ASSETS		
At cost/revaluation as per the last Balance Sheet	530 52 79	530 52 79
Additions/Adjustments during the year		0
Sub-Total	530 52 79	530 52 79
Deductions during the year		0
Sub-Total	530 52 79	530 52 79
Depreciation to date	22 17 67	42 92 70
TOTAL	**508 35 12**	**487 60 09**
III. BUILDINGS UNDER CONSTRUCTION	**96 80**	**1 06 54**

SRIRAMAMURTHY & CO 03032S Chartered Accountants

Ravi Rajan & Co. LLP New Delhi Chartered Accountants

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No. 003990S/S200018 CHENNAI

G. NATESAN & CO. CHENNAI 600 018 CHARTERED ACCOUNTANTS

SARC & ASSOCIATES NEW DELHI-20 CHARTERED ACCOUNTANTS

Particulars	As on 31.03.2022	(Rs. in thousands) As on 31.03.2021
IV.OTHER FIXED ASSETS		
(including Furniture and Fixtures)		
At cost as per last Balance Sheet	4628 15 73	4121 12 83
Additions/Adjustments during the year	316 77 75	554 37 72
Sub-Total	4944 93 48	4675 50 55
Deductions during the year	76 67 23	47 34 82
Sub-Total	4868 26 25	4628 15 73
Depreciation to date	3734 94 36	3353 92 34
TOTAL	**1133 31 89**	**1274 23 39**
TOTAL (I+II+III+IV)	**7683 71 16**	**7376 31 14**

SCHEDULE 11 - OTHER ASSETS

I. Inter Office Adjustment (net)	270 52 77	0
II. Interest Accrued	2968 68 66	4107 97 96
III. Tax paid in advance/tax deducted at source (net)	6407 56 89	6625 26 70
IV.Stationery and Stamps	27 06 55	46 37 53
V.Non-banking assets acquired in satisfaction of claims	51 38 26	51 38 26
VI. Others *	10598 40 94	14548 83 19
TOTAL	**20323 64 07**	**25379 83 64**
* includes RIDF/SIDBI/RHDF/NHB Deposits held under HTM Category	1062 15 12	51 38 26

SCHEDULE 12 - CONTINGENT LIABILITIES

I. Claims against the bank not acknowledged as debts	2159 16 36	953 36 91
II. Liability for partly paid investments	462 77 26	373 81 66
III. Liability on account of outstanding forward exchange contracts	306197 71 07	254856 84 39
IV.Guarantee given on behalf of constituents*		0
a) In India	21969 83 62	17792 78 38
b) Outside India	300 68 26	379 99 49
V. Acceptance, Endorsements and other obligations*	10837 91 70	9394 28 29
VI.Other items for which the bank is contingently liable	11585 96 56	9782 36 98
TOTAL	**353514 04 83**	**293533 46 10**

* Contingent Liability has been considered net of margin

Particulars	Y.E. 31.03.2022 (Audited)	Y.E. 31.03.2021 (Audited)
		(Rs. in thousands)
SCHEDULE 13 - INTEREST EARNED		
I. Interest/Discount on Advances/Bills	26927 56 15	27363 52 81
II. Income on Investments	10964 82 37	11166 89 38
III.Interest on balances with Reserve Bank of India and other Inter Bank funds	851 34 00	425 45 97
IV. Others	112 49 55	149 90 49
TOTAL	**38856 22 07**	**39105 78 65**
SCHEDULE 14 - OTHER INCOME		
I. Commission, Exchange and Brokerage	806 11 09	766 96 37
II. Profit on Sale of Investments	1748 06 22	2259 91 38
Less: Loss on Sale of Investments	122 30 84	135 67 19
Net	1625 75 38	2124 24 19
III. Profit on revaluation of Investments	89	2 42
Less: Loss on revaluation of Investments	343 24 98	429 08 84
Net	-343 24 09	-429 06 42
IV. Profit on sale of land, buildings and other assets *	7 40 31	2 83 09
Less: Loss on Sale of Land, Bldgs. & Other assets *	2 18 28	3 22 28
Net	5 22 03	- 39 19
V. Profit on exchange transactions (Net)	689 98 73	405 92 51
VI. Income earned by way of dividends, etc., from Subsidiaries/Companies and/or Joint ventures abroad/in India	28 15 18	12 45 06
VII. Miscellaneous Income	4103 46 65	2770 06 44
TOTAL	**6915 44 97**	**5650 18 96**
* Amount relates to Safe, Furniture, Vehicle & Machinery		
SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on deposits	20935 55 65	22220 79 49
II. Interest on Reserve Bank of India/Inter Bank borrowings	248 46 35	400 89 55
III.Others	944 25 05	818 14 86
TOTAL	**22128 27 05**	**23439 83 90**
SCHEDULE 16 - OPERATING EXPENSES		
I. Payments to and provisions for employees	6695 70 68	6378 23 81
II. Rent, Taxes and Lighting	613 74 14	602 83 47
III. Printing and Stationery	84 60 78	57 65 50
IV. Advertisement and Publicity	21 71 34	13 55 22
V. Depreciation on Bank's property	597 49 99	632 87 20
VI. Directors' fees allowance and expenses	44 31	39 60
VII.Auditors' fees and expenses(including branch auditors)	47 37 52	63 01 86
VIII.Law Charges	17 38 61	20 19 41
IX. Postage, Telegrams and Telephones	109 86 46	117 18 86
X. Repairs and Maintenance	243 87 09	197 09 98
XI. Insurance	742 35 00	682 46 34
XII. Other Expenditure	1751 94 36	1584 04 03
TOTAL	**10926 50 28**	**10349 55 28**

SRIRAMAMURTHY & CO. 03032S Chartered Accountants

Ravi Rajan & Co. LLP New Delhi Chartered Accountants

PKF SRIDHAR & SANTHANAM LLP Firm Regd. No. 003990S/S200018 CHENNAI

G. NATESAN & CO. CHENNAI 600 018 CHARTERED ACCOUNTANTS

SARC & ASSOCIATES NEW DELHI-20 CHARTERED ACCOUNTANTS

Schedule - 17

Significant Accounting Policies (Standalone)

1 ACCOUNTING CONVENTION

The financial statements are prepared by following the going concern concept on historical cost convention unless otherwise stated. They conform to generally accepted accounting principles in India, which comprises statutory provisions, regulatory / Reserve Bank of India guidelines, accounting standards / guidance notes issued by the Institute of Chartered Accountants of India and the practices prevalent in the Banking Industry in India. In respect of foreign branches as per statutory provisions and practices prevailing in the respective countries.

2 USE OF ESTIMATES

The preparation of financial statements requires the management to make estimates and assumptions for considering the reported assets and liabilities (including contingent liabilities) as on the date of financial statements and the income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

3 TRANSACTIONS INVOLVING FOREIGN EXCHANGE

Foreign Currency transactions of Indian operations and non-integral foreign operations are accounted for as per Accounting Standard-11 (AS-11) issued by the Institute of Chartered Accountants of India (ICAI).

3.1 Translation in respect of Indian operations

- Foreign exchange transactions are recorded at the Weekly Average Rate (WAR) notified by Foreign Exchange Dealers' Association of India (FEDAI).
- Foreign currency assets and liabilities are translated at the closing rates notified by FEDAI at the year end.
- Acceptances, endorsements and other obligations and guarantees in foreign currency are carried at the closing rates notified by FEDAI at the year end.
- Exchange differences arising on settlement and translation of foreign currency assets and liabilities at the end of the financial year are recognized as income or expenses in the period in which they arise.

- Outstanding forward exchange contracts are disclosed at the Contracted rates, and revalued at FEDAI closing rates, and the resultant effect is recognized in the Profit and Loss account.

3.2 Translation in respect of non-integral foreign operations.

Foreign branches are classified as non-integral foreign operations and the financial statements are translated as follows:

- Assets and liabilities including contingent liabilities are translated at the closing rates notified by FEDAI at the year end.
- Income and expenses are translated at the Quarterly Average Closing rate notified by FEDAI at the end of the respective quarter.
- All resulting exchange differences are accumulated in a separate account "Foreign Currency Translation Reserve" (FCTR) till the disposal of the net investments.

4. INVESTMENTS

4.1 The entire investment portfolio of the Bank is classified in accordance with the RBI guidelines into three categories viz.

- Held To Maturity (HTM)
- Available For Sale (AFS)
- Held For Trading (HFT)

The securities acquired with the intention to be held till maturity are classified under **"HTM"** category. The securities acquired with the intention to trade by taking advantage of short–term price / interest movements are classified as **"HFT".** All other securities which do not fall under any of the two categories are classified under **"AFS"** category.

An investment is classified as Held to Maturity, Available for Sale or Held for Trading at the time of its purchase/acquisition and subsequent shifting is done in conformity with the Regulatory guidelines. Transfer of scrips, if any, from one category to another is done at the lowest of acquisition cost/book value/market value on the date of transfer and depreciation, if any, on such transfer is fully provided for.

Investment in Subsidiaries, Joint Ventures and Associates are classified as Held to Maturity.

4.2 Profit on sale of securities under HTM category is first taken to Profit and Loss account and thereafter appropriated to Capital Reserve account (net of taxes and amount required to be transferred to statutory reserves) and loss, if any, charged to Profit & Loss account.

4.3 Investments in India are valued in accordance with RBI guidelines, as under:

a) Securities in **HTM** category are valued at acquisition cost except where the acquisition cost is higher than the face value, in which case, such excess of acquisition cost over the face value is amortised over the remaining period of maturity. Any diminution, other than temporary, in value of investments in subsidiaries/joint ventures/Associates which are included under HTM category is recognized and provided. Such diminution is being determined and provided for each investment individually. Investment in units of Venture Capital funds (VCF) / Alternate Investment Fund (AIF) made after 23.08.2006 are classified under HTM category for initial period of 3 years and valued at cost.

b) Investment in Subsidiaries, Joint Ventures and Associates are valued at historical cost. Investment in sponsored Regional Rural Banks(RRB) are valued at carrying cost (i.e. Book value).

c) Investments in **AFS** category are marked to market, scrip-wise and classification wise, at quarterly intervals. Net depreciation, if any, is provided for in the Profit and Loss account while net appreciation, if any, is ignored. The book value of the individual securities does not undergo any change after marking to market.

d) The individual scrips in the **HFT** category are marked to market at daily intervals. Net depreciation, if any, is provided for in the Profit and Loss account while net appreciation, if any, is ignored. The Book Value of the individual securities in this category does not undergo any change.

e) Securities in **AFS and HFT** categories are valued as under:

i. Central Government Securities and State Govt. Securities are valued at prices / YTM rates as announced by Primary Dealers Association of India (PDAI) jointly with Fixed Income Money Market and Derivatives Association of India (FIMMDA) / Financial Benchmark India Private Ltd (FBIL).

ii. Other approved securities are valued applying the YTM method by marking up 25 basis points above the yields of the Central Government Securities of equivalent maturity put out by PDAI / FIMMDA/ FBIL periodically.

iii. Equity shares are valued at market price, if quoted. Unquoted equity shares are valued at break-up value (without considering revaluation reserves if any) as per the company's latest balance sheet (not more than one year prior to the date of valuation). Otherwise, the shares are valued at Re. 1 per company.

iv. Preference shares are valued at market price, if quoted; otherwise at lower of the value determined based on the appropriate YTM rates or redemption value.

v. All debentures/bonds, other than those which are in the nature of advances, are valued on the YTM basis.

vi. Treasury bills, Certificate of deposits and Commercial papers are valued at carrying cost.

vii. Units of Mutual Funds are valued at market price, if quoted; otherwise at lower of repurchase price or Net Asset Value (NAV). In case of funds with a lock-in period, where repurchase price / market quote is not available, units are valued at NAV, else valued at cost till the end of the lock-in period.

viii. Investment in units of Venture Capital funds (VCF) / Alternate Investment Fund (AIF) made after 23.08.2006 are classified under HTM category for initial period of 3 years and valued at cost. After period of 3 years from the date of disbursement, it will be shifted to AFS and marked-to-market as per RBI guidelines.

ix. In respect of investment at Overseas branches, RBI guidelines or those of the host countries whichever are more stringent are followed. In case of those branches situated in countries where no guidelines are specified, the guidelines of RBI are followed.

4.4 Non-performing investment (NPI) are identified as stated below, as per guidelines issued by RBI.

- Securities/Non-cumulative Preference shares where interest/fixed dividend/instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.

- If any credit facility availed by the issuer from the Bank is a Non-performing advance in the books of the bank, investment in any of the securities including preference shares issued by the same issuer is also treated as NPI and vice versa. However, if only the preference shares are classified as NPI, the investments in any of the other performing securities issued by the same issuer may not be classified as NPI and any performing credit facilities granted to that borrower need not be treated as NPA.

- Investments backed by guarantee of the Central Government though overdue are treated as Non-Performing Asset (NPA) only when the Government repudiates its guarantee when invoked.

- Investment in State Government guaranteed securities, including those in the nature of 'deemed advances', are subjected to asset classification and provisioning as per prudential norms if interest/ installment of principal (including maturity proceeds) or any other amount due to the Bank remains unpaid for more than 90 days.

- Equity investment classified as NPI should be valued at market value, if quoted, and in case where equity is not quoted, it should be valued at Re.1

4.5 Brokerages / Commission / incentive received on subscriptions are deducted from the cost of securities. Brokerage / Commission / Stamp duty paid in connection with acquisition of securities are treated as revenue expenses.

4.6 Interest Rate Swap transactions for trading is marked to market at quarterly intervals. The fair value of the total swaps is computed on the basis of the amount that would be received/ receivable or paid/ payable on termination of the swap agreements as on the balance sheet date. Losses arising there from, if any, are fully provided for, while the profit, if any, is ignored.

4.7 Exchange traded FX Derivatives i.e. Currency Futures, are valued at the Exchange determined prices and the resultant gains and losses are recognized in the Profit and Loss account.

4.8 Premium/interest arising at the inception of forward exchange swap facility of RBI for FCNR (B) dollar deposits is amortized as expense over the period of the swap contract.

4.9 Cost of investments is determined based on the Weighted Average Cost method in each category. Investments classified under HTM are carried at acquisition cost as arrived under Weighted Average

Cost method and in case the weighted average cost is more than the face value, the premium is amortised over the remaining period of maturity.

- **Accounting for Repo/Reverse Repo transactions:**

All types of repo/reverse repo transactions with RBI including LAF, variable rate term operations, Long term Repo operations (LTRO), MSF and also Market Repo transactions are accounted as per RBI guidelines.

The securities sold and purchased under Repo/Reverse Repo are accounted as Triparty Repo wherein securities are transferred as in the case of normal outright sale/purchase transactions and such movement of securities is reflected using the Repo/Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as Interest expenditure / income, as the case may be. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified under Schedule 7 (Balance with Banks and Money at Call & Short Notice).

5. FINANCIAL ASSETS SOLD TO RECONSTRUCTION COMPANIES (RC)

5.1 Security Receipts (SR) issued by SCs/RCs in respect of financial assets sold to them is recognized at lower of redemption value of SRs and Net Book Value of financial assets. SRs are valued at:

(a) SRs issued by SCs/RCs prior to 01.04.2017 at Net Asset Value declared by SCs/RCs on the Balance Sheet date and depreciation, if any, is provided for and appreciation is ignored.

(b) As per amended guidelines issued by RBI with effect from April,01,2017, provisioning requirement on SRs will be higher of

(i) provisioning rate in terms of Net Asset Value declared by the SCs/RCs

(ii) provisioning rate as applicable to the underlying loans, assuming that the loans notionally continued in the books of the bank

5.2 In case of financial assets sold to RC, the valuation and, income recognition is being done as per RBI Guidelines. If the sale is for value lower than the Net Book Value (NBV) (i.e, book value less provisions held), the shortfall is debited to the Profit and Loss account or met out of utilisation of Floating provision held, as per extant RBI guidelines

If the cash received (by way of initial consideration and /or redemption of security receipts) is higher than the Net Book value of the Non-Performing Asset (NPA) sold to RC, then excess provision is reversed to the profit and Loss account. The quantum of excess provision reversed to profit and loss account is limited to the extent to which cash received exceeds the NBV of the NPA sold.

6 ADVANCES

6.1 In accordance with the prudential norms issued by RBI, advances in India are classified into Standard, Sub-Standard, Doubtful and Loss assets borrower-wise.

6.2 Provisions are made for non-performing advances as under:

a) Sub Standard:
   i) A general provision of 15% on the total outstanding
   ii) Additional provision of 10% for exposure which are unsecured ab-initio (ie., where realizable value of securities is not more than 10% ab-initio)

b) Doubtful category-1
   i) 25 % for Secured portion.
   ii) 100% for Unsecured portion.

c) Doubtful Category – 2
   i) 40 % for Secured portion.
   ii) 100% for Unsecured portion.

d) Doubtful category-3 and Loss advances – 100 %.

- Provision is made for standard advances including Restructured / Rescheduled standard advances as per RBI directives.

- In respect of foreign branches, income recognition, asset classification and provisioning for loan losses are made as per local requirement or as per RBI prudential norms, whichever is more stringent.
  Further, if an asset in the overseas books of the Bank requires to be classified as NPA at any point of time in terms of regulations issued

by Reserve Bank of India, then all the facilities granted by the bank to the borrower and investment in all the securities issued by the borrower will be classified as NPAs/NPIs.

However, accounts classified as Non-performing/Impaired assets (NPAs) by host regulators for reasons other than record of recovery, would be classified as NPAs at the time of consolidating financial statements in India and provided for, as required; whereas asset classification of other credit exposures to the same counterparties in other jurisdictions (including India) will continue to be governed by the extant guidelines in the respective jurisdictions.

- Advances disclosed are net of provisions made for non-performing assets, DICGC/ ECGC/ CGTMSE claims received and held pending adjustment, repayments received and kept in sundries account, participation certificates, usance bills rediscounted and provision in lieu of diminution in the fair value of restructured accounts classified as standard assets.

7. FIXED ASSETS / DEPRECIATION

7.1 Fixed assets are carried at cost / revalued amount less accumulated depreciation / amortization

7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalized only when it increases the future economicbenefits from such assets on their functioning capacity.

7.3 Depreciation on buildings (including cost of land wherever inseparable / not segregated) and other fixed assets in India will be provided for on the straight-line method at the rates / useful life, as specified below:

S No.	Description of fixed assets	Depreciation Rate/ Useful Life
1	Computers	33.33% every year
2	Computer Software forming an integral part of the Computer hardware	33.33% every year
3	Computer Software which does not form an integral part of Computer hardware and cost of Software Development	33.33% every year

S No.	Description of fixed assets	Depreciation Rate/ Useful Life
4	Automated Teller Machine/ Cash Deposit Machine / Coin Vending Machine	20.00% every year
5	Servers	33.33% every year
6	Network equipment	20.00% every year
7	Other fixed assets	Estimated useful life of major group of assets are as under: Premises : 60 years Safes / Locker / Doors (Steel): 20 years Vehicles : 5 years Furniture and Fixtures : 10 years Cell phones : 1 year

7.4 In respect of assets sold / acquired during the year, depreciation will be charged on proportionate basis for the number of days the assets have been put to use / from the Date of capitalization during the year.

7.5 Assets costing upto 5000/- will be fully depreciated in the year of purchase.

7.6 The revalued asset will be depreciated over the balance useful life of the asset as assessed at the time of revaluation.

The increase in Net Book Value of the asset due to revaluation will be credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Depreciation relatable to revalued component will be charged against revenue expenditure and an equivalent amount will be charged straight away against revaluation reserve and credited to the revenue reserve, as per revised AS 10 issued by ICAI.

7.7 In respect of Assets where subsidy is received from Government, the same will be credited to the respective asset account and depreciation will be charged accordingly.

7.8 Premium on leasehold land will be capitalized in the year of acquisition and amortized over the period of lease.

7.9 Depreciation in respect of fixed assets at foreign branches will be provided as per the practice prevailing in the respective countries.

7.10 In respect of Non-Banking Assets, no depreciation will be charged.

8. REVENUE RECOGNITION

8.1 Income and expenditure are generally accounted for on accrual basis, unless otherwise stated.

8.2 Income from non-performing assets, Central Government guaranteed assets (where it is overdue beyond 90 days), dividend income, insurance claims, commission on letters of credit / guarantees issued (other than those relating to project finance), income from wealth management, additional interest / overdue charges on bills purchased, finance charges on credit cards, income on Bank's right to recompense, AMC charges on debit cards are accounted for on realisation basis and locker rent received, income from Bancassurance products are accounted on accrual basis.

8.3 In case of overdue foreign bills, interest and other charges are recognised till the date of crystallisation as per FEDAI guidelines.

9. CREDIT CARD REWARD POINTS

Reward points earned by card members on use of Card facility is recognized as expenditure on such use.

10. NET PROFIT / LOSS

The result disclosed in the Profit and Loss Account is after considering:

- Provision for Non-Performing Advances and / or Investments.
- General provision on Standard Advances
- Provision for Restructured Advances
- Provision for Depreciation on Fixed Assets
- Provision for Depreciation on Investments
- Transfer to/ from Contingency Fund
- Provision for direct taxes
- Provision for Unhedged Foreign Currency Exposure
- Usual or/and other necessary provisions

11. STAFF RETIREMENT BENEFITS

i) PROVIDENT FUND

Provident fund is a statutory obligation and in the case of Contributory Provident Fund Optees, the Bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to Profit and Loss Account. The fund is managed by Indian Bank Staff Provident Fund Trust.

ii) GRATUITY

Gratuity liability is a statutory obligation as per Indian Bank Employees' Gratuity Fund Rules and Regulations and is provided for on the basis of an actuarial valuation made at the end of the financial year. The gratuity liability is funded by the Bank and is managed by Indian Bank Employees Gratuity Fund Trust.

iii) PENSION

- Pension liability is a defined benefit obligation under Indian Bank (Employees) Pension Regulations 1995 and is provided for on the basis of actuarial valuation, for the employees who have joined Bank up to 31.03.2010 and opted for pension.

- New Pension Scheme (NPS) which is applicable to employees who joined bank on or after 01.04.2010 and it is a defined contribution scheme. Under NPS the Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit and Loss Account.

iv) COMPENSATED ABSENCES

Accumulating compensated absences such as Privilege Leave and Sick Leave are provided for based on actuarial valuation.

v) OTHER EMPLOYEE BENEFITS

Other Employee benefits such as Leave Fare Concession and Additional Retirement Benefit on Retirement are provided for based on actuarial valuation. In respect of overseas branches and offices, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

12. ACCOUNTING FOR LEASES

Lease payments including cost escalation for assets taken on operating lease arerecognized in the Profit and Loss Account over the lease term or life whichever is lower.

13. CONTINGENT LIABILITIES AND PROVISIONS

13.1 Contingent liability: Past events leading to, possible or present obligations are recognized as contingent liability in the following instances where:

(a) The existence of such obligations has not been confirmed
(b) no outflow of resources are required to settle such obligations
(c) a reliable estimate of the amount of the obligations cannot be made
(d) such amounts are not material

13.2 (a) Provision is recognized in case of present obligations where a reliable estimate can be made and/or where there are probable outflow of resources embodying foregoing of economic benefits to settle the obligations, excluding frivolous claims.

(b) Provision for Market Risk, Country Risk, etc., are made in terms of extant instructions of RBI.

(c) Floating provision as identified by the Bank Management is provided for.

Floating provision may be utilized as per extant RBI guidelines, for -

(i) Making specific provisions for non-performing assets;
(ii) Meeting any shortfall in sale of non-performing assets.

14. IMPAIRMENT OF ASSETS

Impairment losses, if any, on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss Account in accordance with the Accounting Standard 28 "Impairment of Assets". However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

15. TAXES ON INCOME

15.1 Provision for tax is made for both Current Tax and Deferred Tax.

15.2 Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates, tax laws and favourable judicial pronouncements / legal opinion.

15.3 Deferred Tax Assets and Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and tax laws that have been enacted or substantively enacted till the date of the Balance Sheet. Deferred Tax Assets are not recognized unless there is "virtual certainty" that sufficient future taxable income will be available against which such deferred tax assets will be realized.

SCHEDULE 18 - NOTES ON ACCOUNTS TO STANDALONE FINANCIAL STATEMENTS (2021-22)

1. Regulatory Capital

a. Composition of Regulatory Capital

(Amount in ₹ Crore)

Sl. No.	Particulars	2021-22	2020-21
i)	Common Equity Tier 1 capital (CET 1)	38725.15	33608.94
ii)	Additional Tier 1 capital	1980.00	1980.00
iii)	Tier 1 capital (i + ii)	40705.15	35588.94
iv)	Tier 2 capital	10394.93	11255.87
v)	Total capital (Tier 1+Tier 2)	51100.08	46844.81
vi)	Total Risk Weighted Assets (RWAs)	308937.61	298096.60
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	12.53%	11.27%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	13.17%	11.93%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	3.36%	3.78%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	16.53%	15.71%
xi)	Leverage Ratio	5.64%	4.71%
xii)	Percentage of the shareholding of Government of India	79.86%	88.06%
xiii)	Amount of paid-up equity capital raised during the year	116.07**	-
xiv)	Amount of non-equity Tier 1 capital raised during the year, of which: Basel III compliant Perpetual debt instruments,	-- --	2000.00 2000.00
xv)	Amount of Additional Tier 2 capital raised; of which Basel III Compliant Debt capital instrument:	-- --	2000.00 2000.00

Note:** During the Financial year 2021-22, the Bank has raised equity capital of Rs 1650 crores through Qualified Institutions Placement at an issue price of Rs 142.15 per equity share including a premium of Rs 132.15 per equity share. Post allotment of 11,60,74,569 new equity shares of face value of Rs 10 each under QIP, the total paid up shares of the Bank increased from 112,93,66,570 to 124,54,41,139.

b. Draw down from Reserves

(Amount in ₹ Crore)

Reserves	Amount drawn		Purpose
	2021-22	2020-21	
Revaluation Reserve	143.42	142.87	Depreciation on revalued portion on Premises

The amount was credited to Revenue Reserve A/c as per the provisions of Accounting Standard 10

2. Asset liability management

a. Maturity pattern of certain items of assets and liabilities as at 31st March 2022

(Amount in ₹ Crore)

	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 Days to 2 months	Over 2 months and to 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	5027.27	16470.30	13487.73	19073.00	23215.33	28660.05	33662.81	42308.15	68964.57	57032.74	285715.86	**593617.81**
Advances	4642.20	5075.71	6169.22	8684.51	16889.71	14524.67	21851.45	39896.86	149150.18	63129.76	59171.80	**389186.06**
Investments*	26398.06	13503.04	10208.16	11382.52	2743.67	2473.02	5739.99	8325.67	16308.61	10904.50	66133.45	**174120.69**
Borrowings	343.45	0.00	322.53	0.00	330.83	322.53	1059.18	2270.40	6495.40	6000.00	0.00	**17144.31**
Foreign Currency Assets	1148.89	268.65	833.27	2274.80	4967.23	6219.16	2280.30	1138.91	1747.82	1832.35	136.62	**22848.00**
Foreign Currency Liabilities	93.92	489.51	185.98	1077.07	2035.72	2068.64	703.42	1918.42	2626.06	595.55	474.27	**12268.56**

**Excludes 50% of listed equities of Rs. 437.90 crore*

b. Liquidity coverage ratio (LCR)

(Amount in ₹ Crore)

S.No	Parameter	Q1:2021-22		Q2:2021-22		Q3:2021-22		Q4:2021-22	
		Total Un-Weighted Value (Average)	Total Weighted Value (Average)	Total Un-Weighted Value (Average)	Total Weighted Value (Average)	Total Un-Weighted Value (Average)	Total Weighted Value (Average)	Total Un-Weighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		151115.13		158314.12		166095.81		158132.09
Cash-Outflows									
2	Retail deposits and deposits from Small business customers of which:	261631.96	24395.04	261491.42	24468.63	259700.32	24317.89	267083.83	19817.54
(i)	Stable Deposits	35363.07	1768.15	33610.17	1680.51	33042.90	1652.14	137816.80	6890.84
(ii)	Less Stable deposits	226268.88	22626.89	227881.24	22788.12	226657.43	22665.74	129267.03	12926.70
3	**Unsecured wholesale funding of which**	166998.38	79476.66	167413.72	77874.98	175592.63	80940.41	177327.36	85519.68
(i)	Operational deposits (all counterparties)	0.03	0.01	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	166105.86	78584.17	166629.94	77091.20	174712.24	80060.02	176149.35	84341.67
(iii)	Unsecured debt	892.48	892.48	783.78	783.78	880.39	880.39	1178.01	1178.01
4	Secured wholesale funding		0.00		0.00		0.00		0.00
5	Additional requirements of which	65030.23	26984.14	69281.45	25247.90	73874.84	29217.54	66874.64	33508.37
(i)	Outflows related to derivative exposures and other collateral requirements	23353.29	23353.29	20941.21	20941.21	24941.11	24941.11	29814.25	29814.25
(ii)	Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	41676.94	3630.85	48340.24	4306.69	48933.72	4276.43	37060.39	3694.12

S.No	Parameter	Q1:2021-22		Q2:2021-22		Q3:2021-22		Q4:2021-22	
		Total Un-Weighted Value (Average)	Total Weighted Value (Average)	Total Un-Weighted Value (Average)	Total Weighted Value (Average)	Total Un-Weighted Value (Average)	Total Weighted Value (Average)	Total Un-Weighted Value (Average)	Total Weighted Value (Average)
6	Other contractual funding obligations	1911.55	1911.55	3418.20	3418.20	2938.19	2938.19	3626.74	3626.74
7	Other contingent funding obligations	36846.99	1105.41	36662.27	1099.87	37690.08	1130.70	33176.14	995.28
8	**TOTAL CASH OUTFLOWS**		133872.80		132109.58		138544.74		143467.62
Cash inflows									
9	Secured lending (e.g. reverse repos)	3103.51	0.00	12358.16	0.00	22202.84	0.00	35061.67	0.00
10	Inflows from fully performing exposures	39887.37	21630.17	39837.22	22571.91	37918.61	20029.39	34474.46	18673.44
11	Other cash inflows	30487.92	28197.40	28051.85	25714.99	30908.97	28846.68	42438.47	37813.47
12	**Total Cash Inflows**	**73478.80**	**49827.57**	**80247.22**	**48286.90**	**91030.42**	**48876.07**	**111974.60**	**56486.91**
			Total adjusted value		Total adjusted value		Total adjusted value		Total adjusted value
13	**Total HQLA**		**151115.13**		**158314.12**		**166095.81**		**158132.09**
14	**Total Net Cash Outflows**		**84045.23**		**83822.67**		**89668.66**		**86980.71**
15	**Liquidity Coverage Ratio**		**179.80%**		**188.87%**		**185.23%**		**181.80%**

Note: The average weighted and un-weighted amounts are calculated taking simple average based on daily observations for the respective quarter.

Un-weighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows) except where otherwise mentioned in the circular and LCR template.

Weighted values are calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows)

Adjusted values calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e. cap on Level 2B and Level 2 assets for HQLA and cap on inflows).

The LCR is designed to promote short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficient high quality liquid resources to survive an acute stress scenario lasting for 30 days. As per the RBI guidelines minimum requirement of LCR for FY 2021-22 on a daily basis is 100%. The methodology for estimating the LCR is based on RBI guidelines updated on time to time.

The LCR is calculated by dividing the amount of high quality liquid unencumbered assets (HQLA) by the estimated net outflows over a 30 calendar day period. The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities (deposits viz Retail, Small Business customers (deposits upto ₹.7.50 Crore), unsecured and secured wholesale borrowings) as well as to undrawn commitments and derivatives-related exposures partially offset by inflows from assets maturing within 30 days.

The bank during the quarter ended March 31, 2022 had maintained average HQLA (after haircut) of ₹.158132.09 crore. HQLA primarily includes SLR securities in excess of minimum Statutory Liquidity Ratio (SLR) requirement the extent allowed under the Marginal Standing Facility (MSF) and the Facility to Avail Liquidity for LCR (FALLCR). Additionally, cash balances in excess of cash reserve requirement with RBI and the overseas central banks form part of level 1 HQLA. The Daily average LCR of the Indian bank for the quarter ended March 31, 2022 was 181.80%.

The main drivers of LCR of the bank are sufficient high quality liquid assets (HQLAs) to meet liquidity needs of the bank at all times. The weighted cash outflows are primarily driven by unsecured wholesale funding which contributed 59.61% of the total weighted cash outflows. Retail deposits including deposits from small business customers contributed 13.81% of the total weighted cash outflows. The other contingent funding obligations primarily include bank guarantees (BGs) and letters of credit (LCs) issued on behalf of the Bank's clients.

Bank has one significant counterparty (Deposit / Borrowing) as on 31.03.2022 contributing 1.27% of total deposits. The total contribution of the top 20 largest domestic depositors as on 31.03.2022 is 6.69% of the total deposits. The significant domestic product / instruments includes Savings deposit, Current deposit and Term deposit which are 31.44%, 5.47% and 51.47% of bank's total liability respectively, the funding from which are widely spread and there is no concentration risk for the bank.

c. **Net Stable Funding Ratio (NSFR)**

(Amount in ₹ Crore)

		31.12.2021					31.03.2022				
		Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value
		No maturity*	< 6 months	6 months to < 1yr	≥ 1yr		No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item											
1	Capital: (2+3)	39853.48	0.00	0.00	8380.00	48233.48	44062.22	0.00	0.00	8080.00	52142.22
2	Regulatory capital	39853.48	0.00	0.00	8380.00	48233.48	44062.22	0.00	0.00	8080.00	52142.22
3	Other capital instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Retail deposits and deposits from small business customers: (5+6)	179557.90	71882.04	70536.93	52567.02	351300.44	184908.11	73404.57	67261.82	54427.59	356530.25
5	Stable deposits	115906.39	27049.45	36128.90	20703.01	190833.52	119522.60	27985.92	34203.85	21217.20	193843.95
6	Less stable deposits	63651.51	44832.59	34408.03	31864.01	160466.92	65385.52	45418.65	33057.96	33210.39	162686.31
7	Wholesale funding: (8+9)	54988.48	74936.84	44479.07	13584.79	100786.99	63018.08	98323.83	38356.79	13874.59	113723.94
8	Operational deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	54988.48	74936.84	44479.07	13584.79	100786.99	63018.08	98323.83	38356.79	13874.59	113723.94
10	Other liabilities: (11+12)	4161.97	18552.36	2278.65	22295.63	22814.95	668.61	7446.72	2365.84	16473.03	16735.95
11	NSFR derivative liabilities		0.00	0.00	0.00			0.00	0.00	0.00	
12	All other liabilities and equity not included in the above categories	4161.97	18552.36	2278.65	22295.63	22814.95	668.61	7446.72	2365.84	16473.03	16735.95
13	**Total ASF (1+4+7+10)**					**523135.86**					**539132.36**
RSF Item											

14	Total NSFR high-quality liquid assets (HQLA)					**7790.46**					**7580.13**
15	Deposits held at other institutions for operational purposes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	Performing loans and securities: (17+18+19+21+23)	1569.68	130779.58	54820.40	239833.32	297039.40	1651.26	139580.70	63349.65	235712.38	297275.69
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level1 HQLA and unsecured performing loans to financial institutions	0.00	29616.25	5328.79	41588.77	48695.60	0.00	35398.28	10686.30	39314.41	49967.30
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	0.00	96829.43	48389.69	143750.35	199106.35	0.00	101554.01	51985.64	140240.58	199005.84
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	6367.72	392.64	9611.78	8186.07	0.00	5587.24	1350.11	10117.08	8527.21
21	Performing residential mortgages, of which:	0.00	31.19	22.62	29860.67	21873.78	0.00	16.62	17.00	31360.88	22843.69
22	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0.00	15.49	8.60	20528.21	10276.15	0.00	11.53	7.64	22086.32	11052.75

23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1569.68	4302.71	1079.31	24633.53	27363.67	1651.26	2611.79	660.71	24796.52	25458.87
24	**Other assets: (sum of rows 25 to 29)**	7129.41	179.01	23.23	23247.07	30045.39	7687.54	123.60	12.74	22909.62	30357.10
25	Physical traded commodities, including gold	0.00				0.00	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	0.00	0.00	0.00	3555.49	3022.17	0.00	0.00	0.00	2509.39	2132.98
27	NSFR derivative assets	0.00	122.90	0.00	23.98	146.88	0.00	95.60	0.00	45.34	140.94
28	NSFR derivative liabilities before deduction of variation margin posted	0.00	56.12	23.23	0.07	79.42	0.00	28.00	12.74	0.07	40.82
29	All other assets not included in the above categories	7129.41	0.00	0.00	19667.52	26796.93	7687.54	0.00	0.00	20354.82	28042.36
30	**Off-balance sheet items**					1210.57					1256.36
31	**Total RSF (14+15+16+24+30)**					336085.82					336469.29
32	**Net Stable Funding Ratio (%)**					155.66%					160.23%

* Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

The Net Stable Funding Ratio (NSFR) is a significant component of the Basel III reforms. The NSFR promotes resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding on an ongoing basis. As per the latest RBI Guidelines, NSFR is effective from October 01, 2021.
NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding.

$$\frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}} \geq 100\%$$

Available Stable Funding (ASF)
ASF is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered (viz. up to 1 year) by the NSFR. The amount of ASF is measured, based on the broad characteristics of the relative stability of an institution's funding sources, including the contractual maturity of its liabilities and the differences in the propensity of different types of funding providers to withdraw their funding

Required Stable Funding (RSF)

RSF is the amount of stable funding required based on the liquidity characteristics and residual maturities of various assets held by that institution as well as those of its off-balance sheet (OBS) exposures. RSF is computed by multiplying the outstanding amount of the specified component with the prescribed and associated RSF Factor.

The objective of NSFR is to ensure that banks maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. The NSFR limits over-reliance on short-term wholesale funding, encourages better assessment of funding risk across all on and off-balance sheet items, and promotes funding stability.

Bank's NSFR stands at 155.66% as on 31.12.2021 and 160.23% as on 31.03.2022. NSFR is above the minimum regulatory requirement of 100%. As on 31.03.2022, the Available Stable Funding (ASF) was Rs.5,39,132 crore and the Required Stable Funding (RSF) was Rs. 3,36,469 crore.

Bank also computes Liquidity Coverage Ratio and prepares Structural Liquidity Statements on a daily basis to assess the liquidity needs of the Bank.

3. Investments

a. Composition of Investment Portfolio (As at 31.03.2022)

(Amount in ₹ Crore)

	Investments in India							Investments outside India				Total
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Investments outside India	
Held to Maturity												
Gross	134412.04	0	0.00	1645.95	252.10	152.72	136462.81	550.59	0.00	0.08	550.67	137013.48
Less: Provision for Depreciation and non-performing investments (NPI)	0.00	0.00	0.00	0.00	35.93	0.00	35.93	0.00	0.00	0.00	0.00	35.93
Net	134412.04	0.00	0.00	1645.95	216.17	152.72	136426.88	550.59	0.00	0.08	550.67	136977.55
Available for Sale												
Gross	24018.10	0.00	2306.13	11867.77	0.00	3738.79	41930.79	1151.42	0.00	98.44	1249.86	43180.65
Less: Provision for Depreciation and non-performing investments (NPI)	150.63	0.00	1114.50	998.37	0.00	3279.43	5542.93	0.00	0.00	97.96	97.96	5640.89
Net	23867.47	0.00	1191.63	10869.41	0.00	459.36	36387.86	1151.42	0.00	0.48	1151.90	37539.76
Held for Trading												
Gross	34.49	0.00	6.79	0.00	0.00	0.00	41.28	0.00	0.00	0.00	0.00	41.28
Less: Provision for Depreciation and non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	34.49	0.00	6.79	0.00	0.00	0.00	41.28	0.00	0.00	0.00	0.00	0.00
Total Investments	158464.63	0.00	2312.92	13513.72	252.10	3891.51	178434.88	1702.01	0.00	98.52	1800.53	180235.41
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	35.93	0.00	35.93	0.00	0.00	0.00	0.00	35.93
Less: Provision for Depreciation and NPI	150.63	0.00	1114.50	998.37	0.00	3279.43	5542.93	0.00	0.00	97.96	0 .00	3620.62
Net	**158314.00**	**0.00**	**1198.42**	**12515.35**	**216.17**	**612.08**	**172856.02**	**1702.01**	0.00	**0.56**	**1702.57**	**174558.59**

As at 31.03.2021

(Amount in ₹ Crore)

	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	105599.64	0.00	0.00	22058.24	252.10	65.53	127975.51	723.22	0.00	0.11	723.33	128698.84
Less: Provision for Depreciation and non-performing investments (NPI)	0.00	0.00	0.00	0.00	35.93	0.00	35.93	0.00	0.00	0.00	0.00	35.93
Net	105599.64	0.00	0.00	22058.24	216.17	65.53	127939.57	723.22	0.00	0.11	723.33	128662.90
Available for Sale												
Gross	34047.85	5.23	2221.37	9370.00	0.00	5950.49	51594.95	1602.60	0.00	94.97	1697.57	53292.52
Less: Provision for Depreciation and non-performing investments (NPI)	24.09	0.00	1234.79	2074.31	0.00	1990.77	5323.96	0	0.00	94.48	94.48	5418.44
Net	34023.76	5.23	986.58	7295.69	0.00	3959.72	46270.99	1602.60	0.00	0.49	1603.09	47874.08
Held for Trading												
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0.00
Less: Provision for Depreciation and non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0.00
Total Investments	139647.49	5.23	2221.37	31428.24	252.10	6016.02	179570.45	2325.82	0.00	95.08	2420.90	181991.35
Less: Provision non-performing investments	0.00	0.00	0.00	0.00	35.93	0.00	35.93	0.00	0.00	0.00	0.00	35.93
Less: Provision for Depreciation and NPI	24.09	0.00	1234.79	2074.31	0.00	1990.77	5323.97	0.00	0.00	94.48	94.48	5418.45
Net	**139623.40**	**5.23**	**986.58**	**29353.93**	**216.17**	**4025.25**	**174210.56**	2325.82	0.00	0.60	2326.42	176536.97

Note: Value of SRs shown under 'Others' in place of 'Debentures and Bonds' and hived off provision shown under provision for Depreciation and NPI to have congruence with reporting of FY 2021-22

b. Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Amount in ₹ Crore)

Particulars	2021-22	2020-21
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	5359.90	4943.07
b) Add: Provisions made during the year	789.03	1022.00
c) Less: Write off / write back of excess provisions during the year	570.06	605.17
d) Closing balance	5578.86	5359.90
ii) Movement of Investment Fluctuation reserve		
a) Opening balance	1031.90	566.99
b) Add: Amount transferred during the Year	-	464.91
c) Less: Drawdown	-	-
d) Closing balance	1031.90	1031.90
iii) Closing balance in IFR as a percentage of closing balance of investments* in AFS and HFT/Current category	2.46%	2.00%

*Carrying value less net depreciation (ignoring net appreciation) i.e. the net amount reflected in the Balance sheet

c. Sale and transfers to/from HTM category

The value of sales and transfers of securities to/from HTM category did not exceed 5 per cent of the book value of investments held in HTM category at the beginning of the year as per RBI guidelines.

- Profit on account of sale of securities from HTM category amounting to Rs 263.51 crores (previous year Rs 85.00 crores) has been taken to Profit and Loss Account and thereafter an amount of Rs.147.90 (previous year Rs.47.71 crores) was transferred to Capital Reserve Account (net of taxes and amount required to be transferred to statutory reserves).

- Shifting of securities:

(i) In the beginning of the year, the Bank shifted:

- SLR securities for Book Value of Rs.24030.56 crores was shifted from HTM to AFS which has resulted in no additional provision & Non-SLR VCF securities for Book Value of Rs.3.18 crores from HTM category to AFS category and

- SLR securities for Book Value of Rs.5623.23 crores from AFS category to HTM category which has resulted in adjustment of provision held against depreciation to reduce the book value to the market value.

- In case of securities classified under HTM category, if acquisition cost is more than the face value, the premium is amortized over the remaining period to maturity. For the Financial Year 2021-22, a sum of Rs 184 crores (previous year Rs 261.43 crores) has been amortized and the same is reflected as a deduction from 'Income on Investments'.

d. Non-SLR investment portfolio

i. Non-performing non-SLR investments

(Amount in ₹ Crore)

Sl. No.	Particulars	2021-22	2020-21
a)	Opening balance	1698.73	1623.51
b)	Additions during the year since 1st April	510.05	93.07
c)	Reductions during the above period	326.77	17.85
d)	Closing balance	1882.02	1698.73
e)	Total provisions held	809.69	797.45

ii. Issuer composition of non-SLR investments

(Amount in ₹ Crore)

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
(1)	(2)	(3)		(4)		(5)		(6)		(7)	
	FY	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
a)	PSUs	22460.95	22659.18	20645.70	20507.29	175.00	0.00	0.36	175.36	18068.71	19085.92
b)	FIs	5537.00	7290.60	3110.26	5116.48	149.99	332.19	0.00	0.00	57.03	167.04
c)	Banks	1806.55	907.22	1358.87	307.50	0.00	0.00	0.00	0.00	16.93	191.08
d)	Private Corporates #	5616.19	6633.03	7316.28	6293.16	260.64	1121.39	160.55	3.50	334.02	4337.84
e)	Subsidiaries/ Joint Ventures	211.50	211.50	211.50	211.50	0.00	0.00	0.00	0.00	132.63	132.63
f)	Others	342.75	293.90	256.31	213.17	0.00	0.00	0.00	0.00	260.43	213.17
g)	Less: Provision held towards depreciation	3505.91	3413.49	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
	Total	32469.03	34581.94	32898.92	32649.10	585.63	1453.58	160.91	178.86	18869.74	24127.68

 # This figure is net of hived off provision of Rs. 1922.31 Crore.

e. Repo transactions (in face value terms)

(Amount in ₹ Crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2022
i) Securities sold under repo				
a) Government securities	0.00	3328.00	51.09	0.00
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00
ii) Securities purchased under reverse repo				
a) Government securities	600.00	50,043.88	18202.20	34500.00
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00

4. Asset quality

a. Classification of advances and provisions held

(Amount in ₹ Crore)

	2021-22						2020-21					
	Standard	Non-Performing				Total	Standard	Non-Performing				Total
	Total Standard	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances (21-22)		Total Standard	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances (20-21)	
Gross Standard Advances and NPAs												
Opening Balance	351861.61	7369.96	24657.89	6427.50	38455.35	390316.96	326665.58	9066.65	24016.29	8914.77	41997.71	368663.29
Add: Additions during the year					10164.66	10164.66					9429.55	9429.55
Less: Reductions during the year					13405.76	13405.76					12971.91	12971.91
Closing balance	380410.50	5202.88	25063.04	4948.33	35214.25	415624.75	351861.61	7369.96	24657.93	6427.46	38455.35	390316.96
Reductions in Gross NPAs due to:												
i) Upgradation					1574.23	1574.23					686.18	686.18
ii) Recoveries (excluding recoveries from upgraded accounts & incl others as exchange diff))					3484.96	3484.96					3914.38	3914.38
iii) Technical/ Prudential Write-offs					7057.06	7057.06					7531.18	7531.18
iv) Write-offs other than those under (iii) above					1289.51	1289.51					840.17	840.17

	2021-22						2020-21					
	Standard	Non-Performing				Total	Standard	Non-Performing				Total
	Total Standard	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances (21-22)		Total Standard	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances (20-21)	
Provisions (excluding Floating Provisions)												
Opening balance of provisions held	2826.82	1727.63	17644.77	6200.10	25572.50	28399.32	2041.61	1624.01	16575.23	8828.26	27027.50	29069.11
Add: Fresh provisions made during the year					8142.52	8142.52					6663.77	6663.77
Less: Excess provision reversed/ Write-off loans					8024.43	8024.43					8118.77	8118.77
Closing balance of provisions held	3788.83	1559.09	19475.94	4655.56	25690.59	29479.42	2826.82	1727.63	17644.77	6200.10	25572.5	28399.32
Net NPAs												
Opening Balance		5539.85	6731.28	0	12271.13			7339.04	6933.29	0	14272.33	
Add: Fresh additions during the year					2022.14						7196.53	
Less: Reductions during the year					5444.63						9197.73	
Closing Balance		3539.47	5178.62	130.56	8848.64			5539.85	6731.28	0	12271.13	
Floating Provisions												
Opening Balance						70.76						70.76
Add: Additional provisions made during the year						0						0
Less: Amount drawn down during the year						0						0
Closing balance of floating provisions						70.76						70.76

	2021-22						2020-21					
	Standard	Non-Performing				Total	Standard	Non-Performing				Total
	Total Standard	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances (21-22)		Total Standard	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances (20-21)	
Technical write-offs and the recoveries made thereon												
Opening balance of Technical/ Prudential written-off accounts					30170.05						23370.02	
Add: Technical/ Prudential write-offs during the year					7061.85						7531.18	
Less: Recoveries made from previously technical/ prudential written-off accounts during the year					2312.22						731.15	
Closing balance					34919.68						30170.05	

Ratios (in per cent)	31.03.2022	31.03.2021
Gross NPA to Gross Advances	8.47	9.85
Net NPA to Net Advances	2.27	3.37
Provision coverage ratio	87.38	82.12

b. Sector-wise Advances and Gross NPAs

(Amount in ₹ Crore)

Sr. No.	Sector	31.03.2022			31.03.2021		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
i)	**Priority Sector**						
a)	Agriculture and allied activities	87065.57	8759.40	10.06%	78529.90	8737.81	11.13%
b)	Advances to industries sector eligible as priority sector lending	26752.74	4694.10	17.55%	20662.08	3695.90	17.89%
c)	Services	47795.22	5974.44	12.50%	49519.11	5015.84	10.13%
d)	Personal loans	22022.67	1972.32	8.96%	21147.36	1576.37	7.45%
	Subtotal (i)	183636.20	21400.26	11.65%	169858.45	19025.92	11.20%
ii)	**Non-priority Sector**						
a)	Agriculture and allied activities	1068.53	150.64	14.10%	203.00	1.93	0.95%
b)	Industry	84098.33	7999.9	9.51%	109110.62	12647.19	11.59%
c)	Services	88801.51	4082.68	4.60%	47889.06	5442.63	11.37%
d)	Personal loans	58020.18	1580.77	2.72%	48945.52	1337.67	2.73%
	Sub-total (ii)	231988.55	13813.99	5.95%	220458.50	19429.42	8.81%
	Total (i + ii)	415624.75	35214.25	8.47%	390316.96	38455.34	9.85%

c. In accordance with Asset Quality Review (AQR) undertaken by RBI, the Bank has made additional provisions during the year, on certain accounts, as advised by RBI : **NIL**

d. Overseas assets, NPAs and revenue

(Amount in ₹ Crore)

Particulars	31.03.2022	31.03.2021
Total Assets	21674.74	14417.83
Total NPAs	1271.24	1240.56
Total Revenue	307.69	327.25

e. Particulars of resolution plan and restructuring

Impact of RBI Circular No RBI/2018-19/2013 DBR No BP.BC.45/21.04.048/2018-19 dated 07.06.2019 on resolution of stressed assets - Revised framework is as follows:

(Amount in ₹ Crore)

Amount of loans impacted by RBI circular (a)	Amount of loans to be classified as NPA (b)	Amount of loans as on 31.03.2022, out of (b) classified as NPA (c)	Addl. provision required for loans covered under RBI circular (d)	Provision out of (d) already made by 31.03.2022 (e)
16129.57	16015.05	16015.05	1643.32	1643.32*

* including provision of Rs.737.70 Crore on Non Fund outstanding of the NPA account as on 31.03.2022.

Details of Resolution plans implemented during FY 2021-22 in terms of RBI circular No. DBR No BP.BC.45/21.04.048/2018-19 dated 07.06.2019:

Resolution plan in terms of RBI circular No. DBR No BP.BC.45/21.04.048/2018-19 dated 07.06.2019 has been successfully implemented in NPA account, **M/s TCI SANMAR CHEMICAS SAE** having outstanding balance of Rs.73.49 Crore as on 31.03.2022.

Resolution period extended in any accounts as provided in para 3 & 4 of RBI circular No.DOR.No.BP.BC.62/21.04.048/2019-20 DATED 17.04.2020: **NIL**

f. Divergence in asset classification and provisioning

(Amount in ₹ Crore)

Sr.	Particulars	Amount
1.	Gross NPAs as on March 31, 2021 as reported by the bank	38455.35
2.	Gross NPAs as on March 31, 2021 as assessed by Reserve Bank of India	38659.35
3.	Divergence in Gross NPAs (2-1)	204**
4.	Net NPAs as on March 31, 2021 as reported by the bank	12271.13
5.	Net NPAs as on March 31, 2021 as assessed by Reserve Bank of India	12164.13
6.	Divergence in Net NPAs (5-4)	-107.00
7.	Provisions for NPAs as on March 31, 2021 as reported by the bank	26184.22
8.	Provisions for NPAs as on March 31, 2021 as assessed by Reserve Bank of India	26495.22
9.	Divergence in provisioning (8-7)	311.00
10	Reported Profit before Provisions and Contingencies for the year ended March 31, 2021	11395.65
11.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2021	3004.68
12.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2021 after considering the divergence in provisioning	2693.68

* March 31, 2021 is the close of the reference period in respect of which divergences were assessed.
** Total divergence in Gross NPA is Rs.290.00 crore out of which Rs.86.00 crore is non funded BG of ILFS transport and network limited for which 100% provision was already made

g. Disclosure of transfer of loan exposures

In accordance with RBI Circular No DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 the details of loans transferred/ acquired during year ended March 31, 2022 are given below:

i. Details of loans not in default acquired:

Particular	RBD	RETAIL	MSME
Mode of Acquisition	Direct Assignment	Direct Assignment	Direct Assignment
Aggregate Principal outstanding of loans acquired (Rs. in Crore)	465.69	2230.60	1566.25
Weighted Average Residual Maturity (in years)	2	11.47	4.50
Weighted Average Holding Period by originator (in years)	0.25	0.51	0.49
Retention of beneficial economic interest by the originator (%)	10%	10%	10%
Tangible Security Coverage (%)	110%	110%	114%
Rating Wise Distribution of loans acquired by value	A Rated Accounts	AA Rs 399.27 Cr AA- Rs. 1721.30 Cr A+ Rs. 110.03 Cr	AA(+/-): Rs 1327.10 Cr A(+/-): Rs 239.15 Cr

ii. Details of loans not in default transferred: NIL

iii. Details of stressed loan transferred:

(Amount ₹ In Crore except number of accounts)

Details of Stressed loans (NPA Accounts) transferred during the period of 01.04.2021 to 31.03.2022			
Particulars	**To ARCs**	**To permitted transferees**	**To other transferees**
No. of Accounts	2	1	NIL
Aggregate principal outstanding loans transferred	309.86	10.09	
Weighted average residual tenor of the loans transferred	40 Months	NIL	
Net book value of loans transferred (at the time of transfer)	9.33	0.00	
Aggregate Consideration	101.53	2.80	
Additional consideration realized in respect of accounts transferred in earlier years	0.00	0.00	

Details of loans acquired during the year:

(Amount in ₹ Crore)

Particulars	From SCBs, RRBs, UCBs, StCBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARCs
Aggregate principal outstanding of loans acquired	NIL	
Aggregate consideration paid		
Weighted average residual tenor of loans acquired		

The Bank has reversed the amount of Rs.95 Cr of excess provision to the profit and loss account on account of sale of stressed loans during the FY 2021-22.

iv. The distribution of Security Receipts (SRs) held by the Bank across the various categories of Recovery Ratings assigned to such SRs by the Credit Rating Agencies as on 31.03.2022 is given as under:

(Amount in ₹ Crore)

Recovery Rating	**Book Value**
RR1+ (More than 150%)	2.39
RR1 (100%-150%)	777.65
RR2 (75%-100%)	424.23
RR3 (50%-75%)	289.98
RR4 (25%-50%)	636.33
RR5 (0%-25%)	1023.04
SRs - Rating Exempted during planning period	57.36
TOTAL	**3210.98**

The bank is holding 100% provisions, inclusive of hived-off provision.

h. Details of financial assets sold to Asset Reconstruction Companies (ARCs)

(₹ In Crore except number of accounts)

Particulars	**2021-22**	**2020-21**
(i) No. of Accounts	3	709
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	9.33	11.35
(iii) Aggregate consideration	104.33	48.84
(iv) Additional consideration realized in respect of accounts transferred in earlier years	37.40	1.96
(v) Aggregate gain/ loss over net book value	95.00	39.45

i. Fraud accounts

Particulars	2021-22	2020-21
Number of frauds reported	211	219
Amount involved in fraud (₹ crore)	2036.71	3759.68
Amount of provision made for such frauds (₹ crore) *	1780.77	3759.60
Amount of Unamortised provision debited from 'other reserves' as at the end of the year. (₹ crore)	0.00	0.00

*Bank carries the provision of Rs.1780.77 against fraud cases after taking into account recoveries made.

j. MSME Disclosure

Based on RBI Circular DBR No: BP.BC 18/21.04.048/2018-19 dated January 1, 2019 and BP.BC.34/21.04.048/2019-20 dated 11.02.2020 the Bank has restructured MSME accounts as detailed below:

Details	No. of accounts Restructured	Balance outstanding in these accounts as on 31.03.2022 (Rs in Cr.)
Accounts restructured O/s	45419	2875
Of which, slipped to NPA	26333	1364
Net Standard advances	19086	1511

k. Disclosure under Resolution Framework for COVID-19-related Stress

Details of resolution plan implemented under the resolution framework for covid-19 related stress as per RBI Circulars dated August 6, 2020 and dated May 5, 2021 are given below

(Amount in ₹ Crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as 30.09.2021 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended 31.03.2022	Of (A) amount written off during the half-year ended 31.03.2022	Of (A) amount paid by the borrowers during the half-year ended 31.03.2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31.03.2022
Personal Loans	7999	188	0	266	7831
Corporate persons*	5665	1020	0	860	4680
Of which MSMEs	2587	169	0	220	3068
Others	5557	314	0	316	5911
Total	19221	1523	0	1442	18422

** As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016*

l. Covid Measures:

The spread of COVID-19 across the globe has resulted in declined economic activity and increased volatility in financial markets. In this situation, though the challenges continue to unfold, the Bank is gearing itself on all fronts to meet the same. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis. The extent to which the COVID-19 pandemic will impact the Bank's results will depend on future developments, which are highly uncertain. Major challenges for the Bank would be from extended working capital cycle and reduced cash flows. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period.

5. Exposures

a. Exposure to real estate sector

(Amount in ₹ crore)

Category	31.03.2022	31.03.2021
i) Direct exposure		
a) Residential Mortgages –		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	42042.63	39600.06
Out of which individual housing loans eligible for being included under priority sector.	19141.34	17181.98
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	8351.70	7932.84
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	NIL	NIL
ii. Commercial Real Estate	NIL	NIL
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	24353.80	23729.22
Total Exposure to Real Estate Sector	74748.13	71262.12

b. Exposure to capital market

(Amount in ₹ crore)

	Particulars	31.03.2022	31.03.2021
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	2140.16	1975.47
ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	29.17	54.93

iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	15.16
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	NIL	NIL
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	317.75	121.50
vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
vii)	Bridge loans to companies against expected equity flows / issues;	NIL	NIL
viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	NIL	NIL
ix)	Financing to stockbrokers for margin trading;	NIL	NIL
x)	All exposures to Venture Capital Funds (both registered and unregistered)	171.03	82.23
Total exposure to capital market		2658.11	2249.29

c. Risk category-wise country exposure

(Amount in ₹ crore)

Risk Rating	Risk category**	Exposure (Net) as at 31.03.2022	Provision held as at 31.03.2022	Exposure (Net) as at 31.03.2021	Provision held as at 31.03.2021
A1	Insignificant	16,236.81	7.51	10,888.46	--
A2	Low	7,738.52	--	4,706.67	--
B1	Moderately Low	19.73	--	3,085.07	--
B2	Moderate	117.11	--	--	--
C1	Moderately High	995.18	--	--	--
C2	High	0.63	--	--	--
D	Restricted	--	--	--	--
	Off-credit	--	--	--	--
		25,107.98	**7.51**	**18,680.20**	**--**

** As per the updated country risk classification by the ECGC as of 31.03.2022

COUNTRY RISK MANAGEMENT:
The Bank has analysed its net funded exposure to various countries as on 31.03.2022 and such exposure to countries other than Singapore is well within the stipulation of 1% of the total assets of the Bank.

In respect of Singapore, which is classified under "Insignificant" risk category (A1) by ECGC Ltd, a provision of Rs.7.51 Crores (Previous year Nil for 'Insignificant' risk category) is available.

d. Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL), if any, exceeded by the Bank

Borrower Name	Additional Exposure	Total Highest Exposure	Percentage of additional exposure	Percentage of total exposure
-	-	NIL	-	-

e. Letter of comfort issued by the Bank:

During the year ended 31.03.2022 branches in India have not issued any letter of comfort for financing of imports. Outstanding as on 31.03.2022 is NIL. Hence no financial impact on outstanding LOC/LOU

During the year ended 31.03.2022, Letter of Comfort issued by our foreign branches (Singapore, Sri Lankan Branches and GIFT City) is NIL and Outstanding as on 31.03.2022 is NIL

In view of the Letter of Responsibility given by the Bank to the Monetary Authority of Singapore, the Bank continues to maintain deposits from its own resources to extent of USD 43.00 Mio (equivalent to INR 325.90 crore) with Singapore Branch to meet the minimum Net Adjusted Capital funds requirement of the Branch.

Bank has issued LOU for Sri Lankan branches favouring Central Bank of Sri Lanka (CBSL) as per the mandatory requirement of CBSL. Bank does not anticipate any financial impact in immediate near future on account of LOU issued.

Bank has issued LOC for our IBU/ FBU in IFSC, SEZ Gift City, Gujarat Favouring International Financial Service Centres Authority (IFSCA) as per the mandatory requirement of IFSCA. Bank does not anticipate any financial impact in immediate near future on Account of LOC issued. This has been issued in the month of February 2022.

f. Unsecured advances

(Amount in ₹ crore)

Particulars	2021-22	2020-21
Total unsecured advances of the bank	26610.06	18991.85
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	NIL	NIL
Estimated value of such intangible securities	NIL	NIL

g. Factoring exposures

Factoring exposures: **NIL**

h. Intra-group exposures

(Amount in ₹ crore)

Sl.no	Particulars	2021-22	2020-21
1	Total Amount of intra group exposures	901.85	1030.85
2	Total Amount of top 20 intra group exposures	901.85	1030.85
3	Percentage of intra group exposures to total exposure of the bank on borrowers / customers	0.16%	0.19%
4	Details of breach of limit on intra group exposures and regulatory action thereon, if any	NIL	NIL

i. Unhedged foreign currency exposure

The Bank has in place a policy on managing credit risk arising out of Unhedged Foreign Currency Exposures of its borrowers. Where there is no natural hedge, forward cover is suggested to customers in respect of import/export transactions. The forward cover will act as Unhedged risk mitigation on exchange risk. While sanctioning the facilities, Bank is ensuring that all the exposures (fund based and non-fund based including Letter of comfort/ Letter of undertaking) in foreign currencies are covered by forward cover. Request for considering waiver of forward cover if any is considered only at corporate office level. While reviewing the borrowal accounts, unhedged exposure are captured and impact is analysed in credit proposals.

The Bank has provided a provision of ₹.3.88 Crore and Capital of ₹16.56 Crores for the year ended 31st March 2022 on Unhedged Foreign Currency Exposure to their constituents in terms of RBI circular dated January 15, 2014

6. Concentration of deposits, advances, exposures and NPAs

a. Concentration of Deposits

(Amount in ₹ crore)

Particulars	2021-22	2020-21
Total Deposits of twenty largest depositors (domestic only)	39721.71	33601.39
Percentage of Deposits of twenty largest depositors to total Deposits of the Bank	6.80 %	6.34 %

b. Concentration of advances

(Amount in ₹ crore)

Particulars	2021-22	2020-21
Total advances to the twenty largest borrowers	51586.08	52342.04
Percentage of advances to twenty largest borrowers to total advances of the bank	12.41%	13.41%

* Advances shall be computed based on credit exposure i.e Funded and non-funded limit including derivative exposure where applicable. The sanctioned limits or outstanding, whichever are higher, shall be reckoned. However, in the case of fully drawn term loans, where there is no scope for re-drawal of any portion of the sanctioned limit, Bank may reckon the outstanding as the credit exposure.

c. Concentration of exposures

(Amount in ₹ crore)

Particulars	2021-22	2020-21
Total exposure to the twenty largest borrowers/customers	68900.08	68813.87
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/ customers	11.86%	12.51%

d. Concentration of NPAs

(Amount in ₹ crore)

Particulars	31.03.2022	31.03.2021
Total Exposures to the Top Twenty Accounts	6587.36	7987.90
Percentage of exposures to the Twenty largest NPA exposures to the total Gross NPAs	18.71	20.77

7. Derivatives

a) Forward rate agreement/Interest rate swap

The Bank has not entered into Derivative contracts of the nature of Forward Rate Agreements / Interest Rate Swaps (IRS) to hedge on balance sheet assets during the financial year 2021-2022.

(Amount in ₹ crore)

Particulars	2021-22	2020-21
i) The notional principal of swap agreements	0.00	0.00
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	NIL	NIL
iii) Collateral required by the bank upon entering into swaps	NIL	NIL
iv) Concentration of credit risk arising from the swaps	0.00	0.00
v) The fair value of the swap book	0.00	0.00

b) Exchange traded interest rate derivatives

The Bank has not contracted any exchange traded interest derivatives during the current year and in the previous year.

(Amount in ₹ crore)

Sr. No.	Particulars	2021-22	2020-21
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	Nil	Nil
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2022 (instrument wise)	Nil	Nil
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	Nil	Nil
iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	Nil	Nil

c) Disclosures on risk exposure in derivatives

i) Qualitative disclosures

Bank's policy permits hedging of asset as well as liability using IRS. The hedging transactions are to be accounted on an accrual basis. Swaps, which hedge interest bearing asset / liability, are accounted for as the asset or liability hedged. Outstanding swap contracts are marked to market.

All swap deals shall be based on the guidelines of International Swaps Dealers' Association. Bank has adequate control systems and also internal approvals prior to concluding transactions. There exists a clear functional segregation between (i) trading (Dealing) (ii) back office (settlement, monitoring and control) and (iii) accounting sections.

In the derivatives segment, the bank's policy permits doing proprietary trading in Overnight Index Swaps (OIS). The activities in this segment are governed by the Derivatives Policy approved by the Bank's Board.

The gain or loss in OIS transactions is booked in the Profit and Loss account on the maturity or unwinding of the deal whichever is earlier. For the purpose of valuation of outstanding OIS deals, the fair value of the total swap is computed on the basis of the amount that would be receivable or payable on termination of the swap as on the balance sheet date. Losses arising there from, if any, are fully provided for while the profits, if any, are ignored.

Exchange traded FX Derivatives i.e. Currency Futures, are valued at the Exchange determined prices and the resultant gains and losses are recognized in the Profit and Loss account.

ii) Quantitative disclosures

The Bank is active in the following products under derivatives:-

- Currency Futures

Outstanding position in Currency futures as on 31.03.2022 is ₹ NIL and previous year was
₹ Nil.

(Amount in ₹ crore)

Sl.No	Particular	31.03.2022		31.03.2021	
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
a)	Derivatives (Notional Principal Amount)				
	i) For hedging	0.00	0.00	0.00	0.00
	ii) For trading	0.00	0.00	0.00	0.00
b)	Marked to Market Positions				
	i) Asset (+)	0.00	0.00	0.00	0.00
	ii) Liability (-)	0.00	0.00	0.00	0.00
c)	Credit Exposure	0.00	0.00	0.00	0.00
d)	Likely impact of one percentage change in interest rate				
	i) on hedging derivatives	0.00	0.00	0.00	0.00
	ii) on trading derivatives	0.00	0.00	0.00	0.00
e)	Maximum and Minimum of 100*PV01 observed during the year				
	i) on hedging	0.00	0.00	0.00	0.00
	ii) on trading	0.00	0.00	0.00	0.00

d) Credit default swaps: NIL

8. Disclosures relating to securitisation

(Number/Amount In ₹ Crore)

Sl. No.	Particulars	2021-22	2020-21
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	NIL	NIL
2	Total amount of securitised assets as per books of the SPEs	NIL	NIL
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	NIL	NIL
	a) Off-balance sheet exposures • First loss • Others	NIL	NIL
	b) On-balance sheet exposures • First loss • Others	NIL	NIL
4	Amount of exposures to securitisation transactions other than MRR	NIL	NIL
	a) Off-balance sheet exposures i) Exposure to own securitisations • First loss • Others ii) Exposure to third party securitisations • First loss • Others	NIL	NIL

	b) On-balance sheet exposures i) Exposure to own securitisations • First loss • Others ii) Exposure to third party securitisations • First loss • Others	NIL	NIL
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	NIL	NIL
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	NIL	NIL
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided. (a) Amount paid (b) Repayment received (c) Outstanding amount	NIL	NIL
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	NIL	NIL
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc.	NIL	NIL
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	NIL	NIL

9. Off balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	**Overseas**
NIL	NIL

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

(Amount in ₹ crore)

Particulars	2021-22	2020-21
1. Opening balance of amounts transferred to DEAF	1973.27	1386.90
2. Add : Amounts transferred to DEAF during the year	265.92	596.89
3. Less : Amounts reimbursed by DEAF towards claims during the year	17.70	10.52
4. Closing balance of amounts transferred to DEAF (1+2-3)	2221.49	1973.27

11. Disclosure of complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Banking Ombudsman (OBOs)

S.N		Particulars	2021-22	2020-21
	Complaints received by the Bank from its Customers			
1		Number of complaints pending at the beginning of the year	11834	16804
2		Number of complaints received during the year	254183	321876
3		Number of complaints disposed during the year	264429	326846
	3.1	of which, number of complaints rejected by the Bank	531	351
4		Number of complaints pending at the end of the year	1588	11834
	Maintainable complaints received by the Bank from Office of Ombudsman			
5		Number of maintainable complaints received by the Bank from Office of Ombudsman	7204	4896

	5.1	of 5, Number of complaints resolved in favour of the Bank by Office of Ombudsman	6254	4795
	5.2	of 5, Number of complaints resolved through conciliation / mediation / advisories issued by Office of Ombudsman	460	466
	5.3	of 5, Number of complaints resolved after passing of Awards by Office of Ombudsman against the Bank	3	0
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0
Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.				

b) Top five grounds of complaints received by the bank from customers

Grounds of which complaints (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase / decrease in the number of complaints received over previous year	Number of complaints pending at the end of the year	Of (5), Number of complaints pending beyond 30 days
(1)	(2)	(3)	(4)	(5)	(6)
Current Year					
ATM Debit card	4815	137138	- 2 %	884	0
Internet / Mobile / Electronic Banking	6150	46991	- 62 %	291	0
Account opening / difficulty in operation of the Account	113	3505	+ 118 %	21	0
Loans and Advances	63	3258	- 20 %	18	0
Pension and facilities for Senior Citizens / differently abled	0	1340	+ 224 %	8	0
Others	693	61951	+ 22 %	366	0
Total	11834	254183	- 21 %	1588	0
Previous Year					
ATM Debit card	2341	139288	- 55 %	4815	350
Internet / Mobile / Electronic Banking	13637	124969	+ 26 %	6150	2649
Loans and Advances	1	4084	+ 440 %	113	31
Account opening / difficulty in operation of the Account	12	1605	+ 915 %	63	9
Credit Cards	3	1137	+ 19 %	0	0
Others	810	50793		693	209
Total	16804	321876		11834	3248

12. Disclosure of penalties imposed by the Reserve Bank of India

During the year RBI has imposed a penalty of Rs.265.44 lacs (163 entries), of which

- Rs.24.41 lacs (149 entries) related to Currency Chest Operations for shortages, forgeries in soiled notes remittances, delayed/ wrong reporting in eKuber / Non adherence to RBI Guidelines;
- Rs.6.98 lacs (1 entry) is due to delay in NEFT credits,
- Rs.0.50 lacs (1 entry) due to breach of peer group average on customer complaints related to digital transactions
- Rs.6.70 lacs (8 entries) due to Non Replenishment of ATM
- Rs.100.00 lacs (1 entry) due to Contravention of RBI directions on Bank Finance to NBFC
- Rs.68.37 lacs (1 entry) imposed by NPCI for delay in NACH returns
- Rs.58.48 lacs (2 entries) imposed by NPCI for delay in completion of reconciliation and updation of TCC/DRC entries in NPCI portal

13. Cash Flow Statement (AS 3):

Standalone Cash Flow statement for the Year ended Mar 31, 2022

	Rs in Thousand	
	Year ended	
	31.03.2022	**31.03.2021**
Net Profit as per Profit and Loss Account	**39448206**	**30046777**
Adjustments for :		
Provision for NPA	84466008	73184606
Provision for Investment	4537502	4276778
Provision for Standard Assets	9615745	4694004
Provision for Tax	(7405871)	(990977)
Other Provisions and Contingencies	(60210)	2745298
Depreciation on Fixed Assets	5974999	6328720
Interest on Capital Instrument	7495868	6439760
Loss/(profit) on sale of land and buildings	(52203)	3919
Dividend income from Subsidiaries and Joint Venture	(12285)	0
Income taxes paid	**0**	0
Profit before working Capital Changes	**144007759**	**126728885**
Increase/Decrease in Operating Assets		
(Increase) / Decrease in Investments	15246280	(150563787)
(Increase) / Decrease in advances	(349673681)	(302528578)
(Increase) / Decrease in other assets	50561956	(20832693)
	(283865445)	**(473925058)**
Increase/Decrease in Operating Liabilities		
Increase / (Decrease) in Deposits	555466988	495212542
Increase/ (Decrease) in Borrowings(other than Capital Instruments)	(69900227)	(67892203)
Increase/ (Decrease) in other liabilities	(58387950)	92163643
	427178811	**519483982**
Net cash generated from operations (A)	**287321125**	**172287809**
Cash flow from investing activities		
Dividend income from Subsidiaries and Joint Venture	12285	**0**
Purchase of fixed assets	(3184083)	(5586490)
Sale of fixed assets	182100	154985
Net cash generated from Investing Activities (B)	**(2989698)**	**(5431505)**
Cash flow from Financing activities		
Payment of dividend	(2490882)	0
Issue of AT-1 Bonds	0	20000000
Issue of Tier - 2 Bonds	0	20000000
Redemption of AT 1 Bonds	0	(5000000)
Redemption of Tier 2 Bonds	(6000000)	(10000000)
Interest on Capital Instrument	(7824750)	(6319416)
Equity Capital Issued during the period (incl. Share premium)	16499999	0
Amount paid to e-AB Shareholder (for fraction part)	0	(25076)
Net cash generated from financing activities (C)	**184367**	**18655508**
Cash & Cash equivalents received on account of amalgamation (D)	**0**	**217503795**
Net increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)+(D)	**284515794**	**403015607**
Cash and Cash equivalents at the beginning of the year		

cash in hand (including foreign currency notes)	16582776	10060885
Balances with Reserve Bank of India - in current Account	258868041	47300358
Balances with Banks		
(a) in current Accounts	950844	53506
(b) in other deposit accounts	20464344	7133657
Money at Call and short notice with Banks	89000001	21000001
Balances with Banks outside India		
(a) in current Accounts	15776770	5309257
(b) in other deposit accounts	112708204	20684919
Money at call and short notice	293742	86532
	514644722	**111629115**
Cash & Cash equivalents at the end of the year		
Cash in hand (including foreign currency notes)	19623975	16582776
Balances with Reserve Bank of India - in current Account	220920116	258868041
Balances with Banks		
(a) in current Accounts	61763	950844
(b) in other deposit accounts	13861522	20464344
Money at Call and short notice with Banks	345002006	89000001
Balances with Banks outside India		
(a) in current Accounts	5039797	15776770
(b) in other deposit accounts	194530925	112708204
Money at call and short notice	120412	293742
	799160516	**514644722**
Difference in opening and closing cash and cash equivalents	284515794	403015607

14. Employee Benefits (AS 15)

i. Defined Contribution Plans:

Provident fund is a statutory obligation and in the case of Contributory Provident Fund Optees, the Bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to Profit and Loss Account. The fund is managed by Indian Bank Staff Provident Fund Trust. During the financial year 2021-22, the Bank has contributed ₹1.14 crores (previous year Rs.1.07 crores).

New Pension Scheme (NPS) is applicable to employees who joined bank on or after 01.04.2010 and it is a defined contribution scheme. Under NPS the Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit and Loss Account. During the financial year 2021-22, the Bank has contributed ₹ 255.18 crores (previous year ₹ 153.31 crores).

ii. Defined Benefit Plans:

The summarized position of Post-employment benefits and long term employee benefits recognised in the Profit & Loss Account and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) are as under:

The following table sets out the basis of the Defined Benefit Pension Plan and Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Bank

PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]	31/03/2022	31/03/2021
Discount Rate -G-Sec Rate	7.27% for Pension and Gratuity – 15 year G-Sec Paper	6.87% for Pension – 15 year G-Sec Paper 6.44% for Gratuity – 10 year G-Sec Paper
Salary escalation rate	6.00% (includes 0.50% for wage revision)	6.00% (includes 0.50% for wage revision)
Attrition rate	1.00% for Pension and 2.00% for Service Employees	1.00% for Pension and 2.00% for Service Employees
Expected rate of return on Plan Assets *	7.62% for Pension and 7.67% for Gratuity	6.89% for Pension and 6.86% for Gratuity
Method used	Projected Unit Credit (PUC) actuarial Method	Projected Unit Credit (PUC) actuarial Method

* Expected Rate of return on Plan Assets not applicable for Leave encashment.

The estimates of future salary increases are considered taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market and in tandem with Funding Guidelines for Superannuation Schemes communicated by IBA. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible.

The liabilities of leave encashment are unfunded.

(Amount in ₹ crore)

II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES:	Pension Fund		Gratuity		Leave Encashment	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
PVO as at t PVO as at the beginning of the year he beginning of the year	15319.48	13995.78	1848.22	1868.46	977.42	826.09
Interest Cost	1047.85	914.67	110.19	120.53	59.12	53.97
Current service cost	250.19	229.80	69.21	105.33	175.72	174.38
Past service cost – recognised / vested benefits	0.00	0.00	0.00	0.00	0.00	0.00
Past service cost – unrecognised / non-vested benefits	0.00	0.00	0.00	0.00	0.00	0.00
Benefits paid	-1812.10	-1363.65	-274.20	-223.04	-284.86	-69.40
Actuarial loss/ (gain) on obligation	1741.31	1542.88	30.26	-23.06	77.35	-7.62
PVO as at the end of the year	**16546.73**	**15319.48**	**1783.68**	**1848.22**	**1004.75**	**977.42**

(Amount in ₹ crore)

III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:	Pension Fund		Gratuity		Leave Encashment	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Fair value of plan assets as at the beginning of the year	14961.61	13918.80	1897.26	1929.03	0.00	0.00
Expected return on plan assets	1132.00	1104.42	136.42	126.42	0.00	0.00
Contributions	1599.55	1495.93	36.86	50.70	284.86	215.94
Benefits paid	-1812.10	-1363.65	-274.20	-223.04	-284.86	-215.94
Actuarial gain/(loss) on plan assets	12.57	-193.89	6.41	14.15	0.00	0.00
Fair value of plan assets as at the end of the year	**15893.63**	**14961.61**	**1802.75**	**1897.26**	**0.00**	**0.00**

(Amount in ₹ crore)

IV. ACTUAL RETURN ON PLAN ASSETS	Pension Fund		Gratuity		Leave Encashment	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Expected return on plan assets	1132.00	1104.42	136.42	126.42	0.00	0.00
Actuarial gain / (loss) on plan assets	12.57	-193.89	6.41	14.15	0.00	0.00
Actual return on plan assets	**1144.57**	**910.53**	**142.83**	**140.57**	**0.00**	**0.00**

(Amount in ₹ crore)

V. ACTUARIAL GAIN / LOSS RECOGNISED	Pension Fund		Gratuity		Leave Encashment	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Actuarial gain / (loss) for the year - Obligation	-1741.31	-1542.88	-30.26	23.06	-77.35	7.62
Actuarial gain / (loss) for the year – due to financial assumption changes in DBO	0.00	0.00	0.00	0.00	0.00	0.00
Actuarial gain / (loss) for the year- Plan Assets	12.57	-193.89	6.41	14.15	0.00	0.00
Total gain / (loss) for the year	-1728.74	-1736.77	-23.85	37.21	-77.35	7.62
Actuarial gain / (loss) recognised in the year	-1728.74	-1736.77	-23.85	37.21	-77.35	7.62
Unrecognised actuarial gain / (loss) at the end of the year	0.00	0.00	0.00	0.00	0.00	0.00
Actuarial gain / (loss) for the year - Obligation	**-1728.74**	**-1736.77**	**-23.85**	**37.21**	**-77.35**	**7.62**

(Amount in ₹ crore)

VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSIS	Pension Fund		Gratuity		Leave Encashment	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Present value of the obligation	16546.73	15319.48	1783.68	1848.22	1004.75	977.42
Fair value of plan assets	15893.63	14961.61	1802.75	1897.26	0	0
Difference - Net (Liability) / Asset recognized in Balance Sheet	-653.10*	-357.87	19.07	49.04	1004.75	977.42
Unrecognised transitional liability	0.00	0.00	0.00	0.00	0.00	0.00
Unrecognised past service cost	0.00	0.00	0.00	0.00	0.00	0.00
Liability recognised in the balance sheet	**-653.10***	**-357.87**	**19.07**	**49.04**	**1004.75**	**977.42**

*Provision on account of change in family pension rules is included

(Amount in ₹ crore)

VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:	Pension Fund		Gratuity		Leave Encashment	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Current service cost	250.19	229.79	69.21	105.33	175.72	174.38
Interest Cost	1047.85	914.67	110.19	120.53	59.12	53.97
Expected return on plan assets	-1132.00	-1104.42	-136.42	-126.42	0	0
Net actuarial (gain)/loss recognised in the year	1728.74	1736.77	23.85	-37.21	77.35	-7.62
Transitional Liability recognised in the year	0.00	0.00	0.00	0.00	0.00	0.00
Past service cost - recognised	0.00	0.00	0.00	0.00	0.00	0.00
Expenses recognised in the statement of profit and loss	**1894.78**	**1776.82**	**66.83**	**62.23**	**312.19**	**220.73**

(Amount in ₹ crore)

VIII. MOVEMENTS IN THE LIABILITY RECOGNISED IN THE BALANCE SHEET	Pension Fund		Gratuity		Leave Encashment	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Opening net liability	-357.87	-76.98	49.04	60.57	-977.42	-826.09
Expense as above	-1894.78	-1776.82	-66.83	-62.23	-312.19	-220.73
Contribution paid	1599.55	1495.93	36.86	50.70	284.86	69.40
Closing net liability	**-653.10**	**-357.87**	**19.07**	**49.04**	**-1004.75**	**-977.42**

(Amount in ₹ crore)

IX. EXPERIENCE ADJUSTMENTS ON PLAN ASSETS/LIABILITIES (ii) Previous Years 2017-22 - Pension	Year ended					
	31.03.2017	31.03.2018	31.03.2019	31.03.2020	31.03.2021	31.03.2022
Present Value of obligation	5925.15	6245.89	6520.32	6801.96	15319.48	16546.73
Plan Assets	5841.36	6146.80	6418.93	6697.41	14961.61	15893.63
Surplus/ (Deficit)	-83.79	-99.09	-101.39	-104.55	-357.87	-653.10
Experience adjustments on plan liabilities- (loss) / gain	-626.82	-704.39	-335.65	-449.25	-1542.88	-1741.31
Experience adjustments on plan assets- (loss) / gain	**27.73**	**10.93**	**-8.58**	**13.32**	**-193.89**	**12.57**

(Amount in ₹ crore)

IX. EXPERIENCE ADJUSTMENTS ON PLAN ASSETS/LIABILITIES (iii) Previous Years 2017-22 - Gratuity	Year ended					
	31.03.2017	31.03.2018	31.03.2019	31.03.2020	31.03.2021	31.03.2022
Present Value of obligation	900.90	964.99	923.85	928.98	1848.22	1783.68
Plan Assets	876.81	932.55	910.66	896.40	1897.26	1802.75
Surplus/ (Deficit)	-24.09	-32.44	-13.19	-32.58	49.04	19.07
Experience adjustments on plan liabilities- (loss) / gain	-87.34	-36.20	-2.11	-61.22	23.06	107.08
Experience adjustments on plan assets- (loss) / gain	**-1.36**	**22.12**	**-0.38**	**2.71**	**14.15**	**6.41**

(Amount in ₹ crore)

IX. EXPERIENCE ADJUSTMENTS ON PLAN ASSETS/LIABILITIES (iii) Previous Years 2017-22- Leave Encashment	Year ended					
	31.03.2017	31.03.2018	31.03.2019	31.03.2020	31.03.2021	31.03.2022
Present Value of obligation	171.21	179.51	188.21	210.29	977.42	1004.75
Plan Assets	0.00	0.00	0.00	0.00	0.00	0.00
Surplus/ (Deficit)	-171.21	-179.51	-188.21	-210.29	-977.42	-1004.75
Experience adjustments on plan liabilities- (loss) / gain	-3.01	10.18	7.58	17.71	7.62	-77.35
Experience adjustments on plan assets- (loss) / gain	0.00	0.00	0.00	0.00	0.00	0.00

X. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)	2021-22		2020-21	
	Pension Fund	Gratuity Fund	Pension Fund	Gratuity Fund
Government of India Securities and State Government Securities	32.38%	23.42%	36.76%	28.00%
High Quality Corporate Bonds /PSU BONDS	13.42%	12.21%	15.64%	12.98%
Special Deposit Scheme	0.06%	0.04%	0.06%	0.00%
Funds managed by Insurer	53.98%	64.11%	47.21%	58.60%
Private Sector Bonds	0.16%	0.22%	0.33%	0.42%
Money Market			-	-
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

(Amount in ₹ crore)

XI. CONTRIBUTION DURING NEXT YEAR	Pension Fund	Gratuity Fund	Earned Leave
Enterprises best estimate of contribution during next year	1300	50	300

iii. Other Long Term Employee Benefits

Amount of ₹48.43 crore (previous year Rs. 50.12 crore) has been provided towards Long Term Employee Benefits as per the actuarial valuation by the independent Actuary appointed by the Bank and is included under the head "Payments to and Provisions for Employees" in Profit and Loss Account.

Details of additional Provisions made / (written back) for various long Term Employee Benefits during the year (Amount in ₹ crore)

No.	Long Term Employee Benefits	31/03/2022	31/03/2021
1.	Sick Leave	1.84	15.28
2.	Casual Leave	0.09	0.16
3.	Leave Travel Concession	46.50	34.68
Total		**48.43**	**50.12**

No.	Long Term Employee Benefits	Opening balance 01.04.2021	Expenditure 2021-22	Addition 2021-22	Closing balance 31.03.2022
1	Sick Leave	22.66	3.04	4.87	24.49
2	Casual Leave	0.87	0.38	0.48	0.97
3	Leave Travel Concession	69.92	32.75	46.50	83.67
	Total	**93.45**	**36.17**	**51.85**	**109.13**

Note: Disclosures included are limited to the extent of information provided by the Actuary.

The Bank has provided for the entire additional liability of Rs.464.59 Crore during the year ended 31.03.2022, on account of revision in family pension for employees covered under XI Bi-partite settlement and Joint note dated November 11th 2020. There is no unamortized expenditure in the balance sheet on account of family pension.

15. Property, Plant and Equipment (AS-10)
Fixed Assets :

1.1. The premises of the Bank include land and building are stated at revalued amount. The Bank revalued its premises in the financial year 2021-22 as on 28.02.2022 at fair market value determined by the approved external valuers. There is an increase of Rs. 599.48 Crore in the amount of revaluation of premises, which has been credited to "Revaluation Reserve Account". For the year 2021-22, depreciation amounting to Rs.147.27 crores (Previous Year Rs.149.63 crore) was charged under expenditure and depreciation on revalued portion amounting to Rs.143.42 Crore (previous year Rs.142.87 crore) is adjusted against the "Revaluation Reserve account.

1.2. Registration formalities are yet to be completed for the following properties: -

Premises include 9 (7+2*) properties Original costing ₹.8.38 Crore (Previous year – 9 (7+2*) Properties costing Rs. 8.38 Crore), having original / revalued book value of Rs. 66.74 Crore (Previous year – Rs. 59.74 Crore), net of depreciation at Rs. 1.46 Crore (Previous year – Rs. 1.40 Crore) for which registration formalities are pending.
* Property at Hyderabad costing Rs.1.61 Crore, where clearance is pending before ULC authority and at Chennai Costing Rs.2.32 Crore, where interim stay has been granted by DRAT.

16. Lease (AS 19)

A) The properties taken on lease / rental basis are renewable / cancellable at the option of the Bank.

B) The leases entered into by the Bank are for agreed period with an option to terminate the leases even during the currency of lease period by giving agreed calendar month notice in writing.

C) Lease rent paid for operating leases are recognized as an expense in the Profit & Loss account in the year to which it relates. The lease rent recognized during the year is Rs.417.00 Crore. (Previous year Rs. 440.41 Cr).

D) Finance lease
An asset acquired on finance lease comprises plant and equipment and land. The leases have a primary period, which is fixed and non-cancellable. The bank has an option to renew the lease for a secondary period.

The minimum lease rentals and the present value of minimum lease payments in respect of assets acquired under finance leases are as follows:

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Payable not later than 1 year	0	0	0	0
Payable later than 1 year and not later than 5 years	0	0	0	0
Payable later than 5 years	0	0	0	0
Total	0	0	0	0
Less: Future finance charges				
Present value of minimum lease payments	0	0	0	0

17. Indian Bank Trust for Rural Development

Indian Bank Trust for Rural Development (IBTRD) has been set up by the Bank on 22.09.2008 to exclusively focus on rural development and accomplish better results by coordinating with various other players / agencies who are also engaged in the development of rural areas and erstwhile Allahabad Bank has Allahabad Bank Rural Development Trust (ABRDT) for the same purpose.

As per GoI notification, erstwhile Allahabad Bank has been amalgamated with Indian Bank w.e.f. 01.04.2020.

The Trust accounts of both IBTRD and ABRDT are duly audited by qualified Chartered Accountants. The process of amalgamation of Indian Bank Trust for Rural Development (IBTRD) and Allahabad Bank Rural Development Trust (ABRDT) is under progress and all the assets and liabilities of ABTRD will be transferred to IBTRD.

Currently, IBTRD is running a total of 37 Rural Self-Employment Training Institutes (RSETIs), 42 Financial Literacy Centres (FLCs) and 59 Centres for Financial Literacy (CFLs) with pan-India presence.

The books of account of the Trust are being subjected to audit, independently by the Chartered Accountants appointed by the Trust.

PROVISIONAL INCOME AND EXPENDITURE OF IBTRD FOR THE YEAR 2021-22:

Details of Receipts	(Amount in ₹ crore)
Contributions received from Bank	5.00
Building Fund received from Bank	0
Opening Balance in the Trust account (including ABRDT)	3.17
Bank interest earned	0.11
Training Cost reimbursement received from various agencies	4.91
Credit back of funds lying as balance in FLC accounts due to account closure and transfer back of excess balance	0.00
Total Income	13.19
Details of Expenditure	
Expenditure incurred during the year	10.10
Excess of receipts over payments	3.09
Closing Balance:	
Bank Balance as on 31.03.2022 (including ABRDT)	3.09
Fixed Deposits	11.40
Of which	
Corpus Fund	8.60
Building Fund	2.80

18. Legal

Contingent liabilities include an A/c M/s Nimbus Communication Ltd., Guarantees were issued by Consortium Banks favouring BCCI. BCCI filed suit against Consortium Banks claiming guarantee liability. In the suit, conditional leave to defend was granted on making payment of ₹ 400 crores, wherein our Bank share is ₹ 100 crore. Remittance of our Bank's share of ₹100 crore was made with the Prothonotary and Senior Master of the Hon'ble High Court of Bombay. The summary suit is pending adjudication before Hon'ble High Court of Bombay.

For this claim against the Bank by BCCI, Bank is having a sum of Rs. 32.44 Crore as provision under the head 'Provision for Other Contingencies' and a sum of Rs. 15.32 Crore as provision under the head 'Contingent Fund – Claim made against the bank', total provision aggregating to Rs. 47.76 Crore, after taking into consideration a sum of Rs.80.22 crore held as security – margin money as on 31.03.2022.

19. Accounting standard-17 "Segment Reporting"

a. Segment Identification

I. Primary (Business Segment)

The following are the primary segments of the Bank:-

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Other Banking Business.

The present accounting and information system of the Bank does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the primary segments have been computed as under:

i. **Treasury** -
The **Treasury** Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.

ii. Corporate / Wholesale Banking –
The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices.

iii. Retail Banking –
The Retail Banking Segment comprises of retail business, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs.

iv. Other Banking business —
Segments not classified under (i) to (iii) above are classified under this primary segment.

II. Secondary (Geographical Segment)

i. Domestic Operations - Branches/Offices having operations in India

ii. Foreign Operations - Branches/Offices having operations outside India and offshore Banking units having operations in India

III. Allocation of Expenses, Assets and Liabilities

Expenses directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of segment assets in each segment/ratio of directly attributable expenses. The Bank has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

b. **Segment information**

Part-A: Primary (Business Segment)

(Amount in ₹ crore)

Business Segment	Treasury		Corporate/Wholesale Banking		Retail Banking		Other Banking operations		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue	13 767.26	13 573.27	16 082.40	17 708.42	15 415.12	13 021.62	506.89	452.66	45 771.67	44 755.97
Result	6 355.67	5 775.50	3 079.29	2 843.03	2 938.78	2 084.26	343.16	263.79	12 716.90	10 966.58
Unallocated expenses									9 512.67	8 061.00
Operating profit									3 204.23	2 905.58
Other unallocable income									0.00	0.00
Tax									(740.59)	(99.10)
Exceptional item									0.00	0.00
Net Profit									3 944.82	3 004.68
Other information										
Segment Assets	2 40 001.83	2 09 281.25	2 15 377.81	2 33 418.56	2 06 008.16	1 71 257.10	0.00	0.00	6 61 387.80	6 13 956.91
Unallocated assets									10 280.25	9 469.75
Total assets									6 71 668.05	6 23 426.66
Segment Liabilities	2 24 383.64	1 96 386.55	2 01 362.03	2 19 036.66	1 92 602.11	1 60 705.23	0.00	0.00	6 18 347.78	5 76 128.44
Unallocated liabilities									9 611.47	8 886.28
Capital reserves & Surplus									43 708.80	38 411.94
Total liabilities									6 71 668.05	6 23 426.66

Part B Geographic Segments

	Domestic		International		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue	45 463.98	44 428.72	307.69	327.25	45 771.67	44 755.97
Assets	6 49 993.31	6 09 008.83	21 674.74	14 417.83	6 71 668.05	6 23 426.66

Previous year figures were re-grouped wherever necessary

20. Related Party Disclosures (AS 18):-

Name of the Related Parties and their relationship with the Bank

a) Subsidiaries :

i) Ind Bank Housing Ltd.

ii) Indbank Merchant Banking Services Ltd.

b) Associates : (Regional Rural Banks)

i) Tamilnadu Grama Bank

ii) Saptagiri Grameena Bank

iii) Puduvai Bharathiar Grama Bank

c) Joint Ventures:

i) Universal Sampo General Insurance Company Ltd

ii) ASREC (India) Ltd

d) Key Managerial Personnel:

Name	Designation	Date of Appointment	Date of cessation
Ms. Padmaja Chunduru	Ex. Managing Director & Chief Executive Officer	21.09.2018	01.09.2021
Shri Shanti Lal Jain	Managing Director & Chief Executive Officer	01.09.2021	
Shri Shenoy Vishwanath V	Executive Director	01.12.2018	31.03.2022
Shri . K Ramachandran	Ex. Executive Director	01.04.2020	01.07.2021
Shri Imran Amin Siddiqui	Executive Director	10.03.2021	
Shri Ashwani Kumar	Executive Director	21.10.2021	

e) Shareholding of Non-Executive Directors:

Sl. No.	Name	Designation	No. of Shares held
1	Dr. Bharath Krishna Sankar	Shareholder Director	300
2	Ms. Papia Sengupta	Shareholder Director	200

Related Party Transaction are as under:

Remuneration paid to key Management personnel during the Year ₹172.37 lakhs (Previous-Year ₹102.52 Lakhs)

Details	2021-2022	2020-2021
Ms. Padmaja Chunduru, Ex. MD & CEO Salary & Emoluments Paid (01.04.2021 to 31.08.2021)	₹ 40.30 lakhs	₹ 30.46 lakhs
Shri Shanti Lal Jain MD& CEO Salary & Emoluments Paid (01.09.2021 to 31.03.2022)	₹ 20.27 lakhs	--
Shri M K Bhattacharaya, Ex. Executive Director Salary & Emoluments Paid (01.04.2020 to 30.11.2020)	--	₹ 18.16 lakhs
Shri Shenoy Vishwanath V., Executive Director Salary & Emoluments Paid (01.04.2021 to 31.03.2022)	₹ 32.76 lakhs	₹ 26.22 lakhs
Shri K. Ramachandran, Executive Director Salary & Emoluments Paid (01.04.2021 to 30.06.2021)	₹ 30.19 lakhs	₹ 26.21 lakhs
Shri Imran Amin Siddiqui, Executive Director Salary & Emoluments Paid (01.04.2021 to 31.03.2022)	₹ 30.00 lakhs	₹1.47 lakhs
Shri Ashwani Kumar, Executive Director Salary & Emoluments Paid (01.10.2021 to 31.03.2022)	₹ 18.85 lakhs*	--

*Including House Rent Allowance of Rs. 5.11 lakh.

Other disclosures pertaining to related parties are as under

Items/Related Party	Parent (as per ownership or control)	Joint ventures	Total
Rendering of services	1528.82*	26.16	1528.82*
Receiving of services	26.16	1528.82*	26.16

*Includes commission income of Rs.1384.52 lakhs from Bank's JV, Universal Sompo General Insurance Co.Ltd

No disclosure is required in respect of related parties, which are "State-controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

21. Earnings Per Share (AS 20)

Particulars	2021-22	2020-21
Net Profit after tax available for equity shareholders (₹ Crore)	3944.82	3004.68
Number of Equity Shares	1245441139	1129366570
Weighted Number of equity shares	1218410075	1129366570
Basic Earnings Per Share (In ₹)	32.38	26.61
Diluted earnings per share (In ₹)	32.38	26.61
Nominal value per Equity Share (In ₹)	10.00	10.00

22. Accounting for taxes on income (AS 22) :

a. Current Tax: During the current year, considering the accumulated losses of erstwhile Allahabad Bank, Bank has not created provision for income tax for domestic operations for the current year. Provision for income tax made in foreign branches amounting to Rs. 12.85 Crore during the current year. Provision for tax on foreign branches relating to earlier years made in the current year amounts to Rs. 275 Crores. The current tax for domestic operations has been calculated in accordance with the provisions of Income Tax Act 1961.

b. Deferred Tax: The Bank has a net DTA of Rs.3872.91 Crore (Previous year net DTA of Rs. 2844.49 Crore), which comprises of Deferred Tax Liabilities (DTL) of Rs. 977.15 Crore (Previous Year Rs. 949.89 Crore) included under 'Other liabilities and Provisions' and Deferred Tax Assets (DTA) of Rs.4850.06 Crore (Previous Year Rs.3794.38 Crore) included under 'other Assets.

The major components of DTA and DTL is given below:

(Amount in ₹ crore)

Sl. No.	Particulars	31.03.2022	31.03.2021
	Deferred Tax Assets		
1	Liabilities provision allowable on payment/ crystallization	219.35	208.53
2	FCTR (Foreign Currency Transalation Reserve)	99.08	105.29
3	Provision for Gratuity	0.06	0.09
4	Provision for Bad Debts	3856.25	3076.11
5	Provision for restructured Assets, AQR,s4A, stressed Assets	588.06	328.67
6	Depreciation on Fixed Assets	87.26	75.69
	Total DTA	4850.06	3794.38
	Deferred Tax Liabilities		
1	Depreciation on Fixed Assets	44.40	44.41
2	Provision for written off accounts	363.15	363.15
3	Staff Welfare Retrieval	4.11	4.11
4	Special Reserve u/s 36(1)(viii)	565.49	538.22
	Total DTL	977.15	949.89
	Net DTA/(DTL)	3872.91	2844.49

c. Provision for Income Tax for the year:

(Amount in ₹ crore)

Particulars	2021-22	2020-21
Provision for Taxation (Income tax including Deferred Tax)	-740.59	-99.10

The disputed income tax demand paid as at 31.03.2022 was Rs.3953.36 Crore (previous year 3953.36 Crore). The same has also been included under contingent liabilities relating to Income Tax of Rs. 9187.03 Crore (previous year 7584.17 Crore) relating to disputed tax matters as at 31.03.2022. No provision is considered necessary for the said disputed demands on account of judicial pronouncements and favorable decisions in Bank's own case except in case of income relating to foreign branches for earlier periods amounting to Rs.275 Crore for which Bank has provided during the current year.

23. Financial Reporting of Interest in Joint ventures (AS-27):

Investments include Rs.142.50 crore (PY Rs.142.50 crore) representing Bank's interest in the following joint controlled entities:

(Rs in Crore)

Name of Entity	Country / Residence	Relationship	Ownership interest	Amount of shareholding
Universal Sompo General Insurance company Ltd	India	Joint Venture	28.52%	105.00
ASREC (India) Ltd	India	Joint Venture	38.26%	37.50

As required by AS 27, the aggregate amount of the assets, liabilities, income, expenses, contingent liabilities and commitments related to the Bank's interests in jointly controlled entities are disclosed as under:

(Amount in ₹ crore)

Particular	31.03.2022	31.03.2021
Liabilities		
Capital & Reserves	391.69	349.28
Deposits	0.00	-
Borrowings	8.54	28.44
Other Liabilities & Provisions	1174.50	1032.28
TOTAL	**1574.73**	**1410.00**
Assets		
Cash and Balances with RBI	0.05	0.09
Balances with Banks and money at call and short notice	30.40	22.72
Investments	1146.12	1109.29
Advances	0	-
Fixed Assets	11.37	12.88
Other Assets	386.79	264.99
TOTAL	**1574.73**	**1410.00**
Capital Commitments		-
Other Contingent Liabilities	48.05	48.58
Income		
Interest earned	6.04	3.73
Other Income	478.41	452.68
TOTAL	**484.45**	**456.41**
Expenditure		
Interest expended	2.36	1.36
Operating expenses	420.65	434.74
Provisions & Contingencies	17.63	5.28
TOTAL	**440.64**	**441.38**
Profit	**43.81**	**15.03**

24. Impairment of Assets (AS-28):

In the opinion of the Bank's Management, there is no indication of impairment to the Assets during the year to which Accounting Standard 28–"Impairment of Assets" applies.

25. Provisions, Contingent Liabilities and Contingent Assets (AS-29):

(Amount in ₹ crore)

Particulars	Opening as on 01.04.2021	Provision made during the year	Provision reversed / adjusted	Closing as on 31.03.2022
Movement of Provisions for claim against bank not acknowledged as debt	206.25	9.66	0	215.91

26. Other Disclosures

1. Business ratios

Particular	Current Year	Previous Year
i) Interest Income as a percentage to Working Funds[1]	6.21	6.56
ii) Non-interest income as a percentage to Working Funds[3]	1.11	0.95
iii) Cost of Deposits	3.97	4.44
iv) Net Interest Margin[2]	2.93	2.81
v) Operating Profit as a percentage to Working Funds[3]	2.03	1.84
vi) Return on Assets[3]	0.63	0.50
vii) Business (deposits plus advances) per employee[4] (in ₹ crore)	25.20	22.17
viii) Profit per employee (in ₹ crore)	0.10	0.07

[1] Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X for Commercial Banks and Form IX for UCBs., during the 12 months of the financial year.

[2] Net Interest Income/ Average Earning Assets. Net Interest Income= Interest Income – Interest Expense

[3] Return on Assets would be with reference to average working funds (i.e., total of assets excluding accumulated losses, if any).

[4] For the purpose of computation of business per employee (deposits plus advances), inter-bank deposits shall be excluded

*average earning assets and average deposits are calculated based on the 52 weekly Friday average.

2. Bancassurance Business

During the current year, the Bank has earned commission, etc, to the extent of Rs.85.01 Crore on sale/marketing of various Bancassurance products / Mutual Funds (previous year Rs.63.98 Crore).

(Amount in ₹ crore)

Sl No.	Nature of Income	2021-22	2020-21
1	For Selling Life Insurance Policies	56.22	38.44
2	For selling Non-life insurance policies	26.42	24.56
3	Others – For selling Mutual Fund Products	2.37	0.98
	Total	**85.01**	**63.98**

3. Marketing and distribution

The Bank does not undertake marketing and/or distribution of any product of other entities (other than products under Bancassurance Business). Therefore, the Bank has not earned any fees/remuneration from the stated activities.

4. Disclosures regarding Priority Sector Lending Certificates (PSLCs)

The amount of PSLCs (category-wise) sold and purchased during the year shall be disclosed.

(Amount in ₹ crore)

Sl.No	PSLC Category	Purchase position		Sale position	
		No of Units	Amt	No of Units	Amt
1	PSLC AGRICULTURE	0	0.00	19800	4950
2	PSLC SMALL AND MARGINAL FARMER	0	0.00	52720	13180
3	PSLC GENERAL	0	0.00	66800	16700
4	PSLC MICRO	0	0.00	0	0
	Total	**0**	**0**	**139320**	**34830**

5. Provisions and contingencies

(Amount in ₹ crore)

Provision debited to Profit and Loss Account	2021-22	2020-21
i) Provisions for NPI	110.51	-1.39
ii) Provision towards NPA	8446.60	7318.46
iii) Provision made towards Income tax	-740.59	-99.10
iv) Other Provisions and Contingencies (with details)		
Standard Advances	961.57	469.40
Restructured Advances	3.78	-1.68
Others	-9.79	276.22
TOTAL	8772.08	7961.91

7. Implementation of IFRS converged Indian Accounting Standards (Ind AS)

I. As per the directions of RBI vide their letter DBR.BP.BC.No.76/21.07.001/2015-16 dated 11.02.2016, Banks shall comply with Ind AS for standalone and consolidated financial statements for accounting periods beginning from April 1, 2018 onwards with comparative figures for the preceding period ending March 31, 2018

II. RBI also advised the Banks to prepare Proforma Financial Statements as per Ind AS for the half year ended 30.09.2016 with transition date as 01.04.2016 and the same was prepared and submitted to RBI. Similarly, proforma Ind AS financials for the quarter ended 30.06.2017 was also submitted to RBI.

III. Subsequently, RBI advised that Banks shall submit Ind AS proforma financial statement for every quarter starting from quarter ending 30th June 2018 onwards. The same has been duly complied with.

IV. From F.Y. 2021-22 onwards, RBI advised to reduce the frequency of Ind AS proforma financial statement submission from quarterly to half yearly. The same has been complied with. The Audit Committee of the Board and Board of Directors have been periodically appraised the progress in this regard.

V. As per RBI notification DBR.BP.BC.No.29/21.07.001/2018-19 dated 22nd March 2019, implementation of Ind AS in Banks has been deferred till further notice. However, submission of proforma Ind AS financials to RBI has been continued and the Bank is complying with the same.

8. Payment of DICGC Insurance Premium

(Amount in ₹ crore)

Sr. No.	Particulars	2021-22	2020-21
i)	Payment of DICGC Insurance Premium	683.68	629.47
ii)	Arrears in payment of DICGC premium	0.00	0.00

9. During year ended Mar 31, 2022, the Bank has raised equity capital of Rs 1650 Crore through Qualified Institutions Placement at an issue price of Rs 142.15 per equity share including a premium of Rs 132.15 per equity share.

Post allotment of 11,60,74,569 new equity shares of face value of Rs 10 each under QIP, the total paid up shares of the Bank increased from 112,93,66,570 to 124,54,41,139. Accordingly, the dividend amount of the Bank for FY 2020-21 increased from Rs 225.87 Crore to Rs 249.09 Crore. The additional amount of Rs 23.22 Crore will be transferred from balance in Profit & Loss Account for FY 2020-21. The Record Date fixed by the Bank for payment of dividend was 09.07.2021.

10. Items included in Miscellaneous income which exceed 1% of total income

(Amount in ₹ crore)

Particulars	FY 2021-22	FY 2020-21
Processing Charges	574.42	526.25
Recovery from bad debts	1611.69	617.50
PSLC Income	570.63	410.23

11. A dividend of ₹ 6.50 per equity share i.e. 65% to the paid up capital is proposed by the Bank for FY 2021-22.

12. Reconciliation and Adjustments

I. Reconciliation of Inter Branch Account is completed up to 31.03.2022. The Bank through various effective steps has achieved reduction in the old outstanding entries in IBGA. Adjustments of the remaining outstanding entries are in progress. As per the Management, 5747 IBGA credit entries aggregating to Rs.4.86 crores are outstanding pertaining to period before 01.03.2009.

II. In view of the net credit position in respect of un-reconciled entries in the Inter Branch Account outstanding for more than 6 months as on 31.03.2022, no provision is required.

III. Old outstanding entries, in drafts payable, clearing adjustment, sundries receivable, sundry deposit accounts, etc. and in bank reconciliation relating to Reserve Bank of India and other banks are being regularly reviewed for appropriate adjustments.

IV. Balancing of subsidiary/ledgers, registers and reconciliation with general ledgers are in progress at some branches. In the opinion of the management, consequential financial impact of the above on the accounts will not be significant.

इलाहाबाद Indian Bank ALLAHABAD

V As per information available with the Bank, there is no outstanding dues payable by the Bank to MSME units identified by the Bank, which is pending beyond the time limit prescribed under MSMED Act, 2006 and there have been no reported cases of accepted liability of delayed payments of principal amount or interest thereon for such parties during the year

13. Previous year's figures have been regrouped / reclassified, wherever necessary, to conform to current year's figures.

Place : Chennai
Date : 11.05.2022

General Manager-ACCOUNTS

S L Jain
Managing Director & CEO

Ashwani Kumar
Executive Director

Imran Amin Siddiqui
Executive Director

DIRECTORS

Sanjeev Kaushik
Government Nominee Director

Aditya Gaiha
RBI Nominee Director

Bharath Krishna Sankar
Shareholder Director

Papia Sengupta
Shareholder Director

Balmukund Sahay
Part time Non Official Director

Vishvesh Kumar Goel
Part time Non Official Director

STATUTORY CENTRAL AUDITORS

For M/s. SRIRAMAMURTHY & CO
Chartered Accountants
FR No. 003032S

Partner M. PRATYUSHA
(M. No. 254141)
UDIN:

For M/s. RAVI RAJAN & CO LLP
Chartered Accountants
FR No. 009073N / N500320

Partner SUMIT KUMAR
(M No. 512555)
UDIN:

For M/s. P K F Sridhar & Santhana
Chartered Accountants
FR No. 003990S/S200018

Partner P DEVI
(M. No. 223137)
UDIN:

For M/s. G Natesan & Co
Chartered Accountants
FR No. 002424S

Partner VARALAKSHMI MURALI
(M. No. 028863)
UDIN:

For M/s. S A R C & ASSOCIATES
Chartered Accountants
FR No. 006085N

Partner CHETAN THAKKAR
(M. No. 114196)
UDIN:

Independent Auditors' Report on Standalone Financial Results for quarter and year ended 31st March, 2022 of Indian Bank pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors
Indian Bank
Chennai

Opinion

1. We have audited the accompanying Statement of Audited Standalone Financial Results of Indian bank ("the Bank") for the quarter and year ended 31st March, 2022 ("the Statement"), attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"), except for the disclosures relating to Pillar 3 disclosure as at 31st March, 2022, including Leverage Ratio, Net Stable Funding Ratio and Liquidity Coverage Ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the financial results and have not been audited by us.

   The Statement includes returns for the year ended on that date of:

   i. The Central Offices, Treasury Branch and 20 Indian Branches audited by us;

   ii. 2102 Indian Branches (incl. Gift City) audited by Statutory Branch Auditors and

   iii. 3 Foreign Branches audited by the respective local auditors

   The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also, incorporated in the Balance Sheet, the Profit and Loss Account and Cash Flow Statement are the returns from 3974 Indian branches and 1 Foreign branch which have not been subjected to Audit.

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the Bank's branch auditors as referred to in paragraph 11 below, these standalone Financial Results:

   i. are presented in accordance with the requirements of Regulation 33 and 52 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at 31st March, 2022, including leverage ratio, net stable funding ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Financial Results and have not been audited by us; and

   ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India of the net profit and other financial information for the quarter and year ended on 31st March, 2022.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Financial Results, 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.

Emphasis of Matter:

We draw attention to:

4. Note No 8 of the Statement on the impact of ongoing uncertainties caused by COVID 19 pandemic on the future business and financial results and Management's assessment of the same in the prevailing situation. The Management is continuously evaluating the effect of the uncertainties on an ongoing basis with reference to challenges under the prevailing uncertainties.

Our report is not modified in respect of above matters.

Board of Directors' Responsibility for the Standalone Financial Results:

5. The Standalone Financial Results has been compiled from the related audited Annual Standalone Financial Statements. The Bank's Board of Directors are responsible for the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standard issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines"), judicial pronouncements and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulations Act, 1949 for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the Standalone Financial Statements, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

7. The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

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

8. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Standalone Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   i. Identify and assess the risks of material misstatement of the Standalone 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.

   ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

   iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

   iv. Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

   v. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

   Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

9. We communicate with those charged with governance regarding, amongst 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.

10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

11. We did not audit the financial statements of 2105 branches included in the Standalone Financial Results of the Bank whose financial statements/financial information reflect 44.08 % of advances, 50.45 % of deposits and 41.86 % of Non-performing Assets as on 31st March, 2022 and 29.74 % of revenue for the financial year ended 31st March, 2022.

    The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

12. In conduct of our audit, we have taken note of the unaudited returns in respect of 3975 branches certified by the respective branch's management. These unaudited branches cover 19.95 % of advances, 44.98 % of deposits and 27.85 % of Non-performing assets as on 31st March, 2022 and 22.88 % of revenue for the financial year ended 31st March ,2022.

13. The figure for the quarter ended 31st March, 2022 represent the balancing figures between the audited figures in respect of the year ended 31st March, 2022 and the published year to-date figures up to 31st December, 2021 which were subjected to limited review by us, as required under Listing Regulations.

    Our opinion is not modified in respect of above matters

14. The Standalone Financials results of the Bank for the previous year ended 31st March, 2021 were audited by the joint auditors, four of them are predecessor audit firms and have expressed unmodified opinion on such financial results. Further, the unaudited financial results of the Bank as per Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, for the quarter ended on 30th June, 2021 were reviewed by the joint auditors, four of them are predecessor audit firms and had expressed their unmodified conclusions on those results.

For SRIRAMAMURTHY & Co
Chartered Accountants
FR No. 003032S

Partner M. PRATYUSHA
(M. No. 254141)
UDIN:

For RAVI RAJAN & CO LLP
Chartered Accountants
FR No. 009073N / N500320

Partner SUMIT KUMAR
(M. No. 512555)
UDIN:

For P K F SRIDHAR & SANTHANAM LLP
Chartered Accountants
FR No. 003990S / S200018

Partner P DEVI
(M No. 223137)
UDIN:

For G NATESAN & CO
Chartered Accountants
FR No. 002424S

Partner VARALAKSHMI MURALI
(M. No. 028863)
UDIN:

For SARC & ASSOCIATES
Chartered Accountants
FR No. 006085N

Partner CHETAN THAKKAR
(M. No. 114196)
UDIN:

Place of Signature: Chennai
Date of Report: 11th May, 2022

Consolidated Balance Sheet as on 31.03.2022

(Rs in Crore)

Particulars	Sch. No.	As on 31.03.2022	As on 31.03.2021
		Audited	Audited
CAPITAL & LIABILITIES			
Capital	1	1245.44	1129.37
Reserves & Surplus	2	43706.49	38328.70
Minority Interest	2A	24.98	22.60
Deposits	3	593570.88	538029.80
Borrowings	4	17152.85	24762.77
Other Liabilities & Provisions	5	18395.79	23261.93
Total		**674096.43**	**625535.17**
ASSETS			
Cash & Balances with Reserve Bank of India	6	24054.46	27545.18
Balances with Banks and Money at call and short notice	7	55913.76	23958.97
Investments	8	176501.61	178292.44
Advances	9	389186.07	362669.08
Fixed Assets	10	7698.91	7392.56
Other Assets	11	20741.62	25676.94
Total		**674096.43**	**625535.17**
Contingent Liabilities	12	353586.82	293606.77
Bills for Collection		14144.89	12620.73

Place: Chennai
Date: 11.05.2022

General Manager (Accounts)

S L Jain
Managing Director & CEO

Ashwani Kumar
Executive Director

Imran Amin Siddiqui
Executive Director

DIRECTORS

Sanjeev Kaushik
Government Nominee Director

Aditya Gaiha
RBI Nominee Director

Bharath Krishna Sankar
Shareholder Director

Papia Sengupta
Shareholder Director

Balmukund Sahay
Part time Non Official Director

Vishvesh Kumar Goel
Part time Non Official Director

STATUTORY CENTRAL AUDITORS

For SRIRAMAMURTHY & CO
Chartered Accountants
FR No. 003032S
M. PRATYUSHA
Partner
(M. No . 254141)

For RAVI RAJAN & CO LLP
Chartered Accountants
FR No. 009073N / N500320
SUMIT KUMAR
Partner
(M. No . 512555)

M/s. P K F SRIDHAR & SANTHANAM LLP
Chartered Accountants
FR No. 003990S/S200018
P DEVI
Partner
(M. No. 223137)

M/s. G NATESAN & CO
Chartered Accountants
FR No. 002424S
VARALAKSHMI MURALI
Partner
(M No. 028863)

M/s S A R C & ASSOCIATES
Chartered Accountants
FR No:006085N
CHETAN THAKKAR
Partner
(M No.114196)

Consolidated Profit and Loss Account for the Year ended 31.03.2022

(Rs in Crore)

Particulars	Schedule	Year Ended 31.03.2022	Year Ended 31.03.2021
		Audited	Audited
I. Income			
Interest earned	13	38861.65	39108.08
Other Income	14	7406.50	6111.40
Total		**46268.15**	**45219.48**
II. Expenditure			
Interest expended	15	22129.25	23438.80
Operating Expenses	16	11353.54	10789.28
Provisions & Contingencies		8791.47	7975.68
Total		**42274.26**	**42203.76**
Consolidated Profit/ (loss) for the period attributable to group		**3993.89**	**3015.72**
Share of earnings in Associates		150.30	134.86
Consolidated Profit/ (loss) for the period before deducting minorities' interest		**4144.19**	**3150.58**
Less: Minority Interest		2.38	1.43
Consolidated Profit/(loss) for the period attributable to the group		**4141.81**	**3149.15**
Profit/(Loss) brought forward		0.00	556.71
Add: Other Adjustments /Set off against Share Premium		0.00	41.30
Balance carried forward to the Balance Sheet		**4141.81**	**3747.16**
IV. Appropriations			
Transfer to			
Statutory Reserves		986.21	751.17
Capital Reserves-Others		147.90	47.71
Spl.Reserve u/s 36(1)(viii) of I T Act		108.35	0.00
Investment Fluctuation Reserve		0.00	464.91
Revenue Reserves		1800.00	1387.34
Staff Welfare Fund		40.00	25.00
Investment Reserve		0.00	0.00
Proposed Equity Dividend		809.54	225.87
Proposed Preference Dividend		0.00	0.00
Dividend Distribution Tax		0.00	0.00
Balance carried to consolidated Balance Sheet		249.81	845.16
Total Appropriations		**4141.81**	**3747.16**
Earnings per Share in Rs.(Basic & diluted)		33.99	27.88

Place: Chennai
Date: 11.05.2022

General Manager
(Accounts)

S L Jain
Managing Director & CEO

Ashwani Kumar
Executive Director

Imran Amin Siddiqui
Executive Director

DIRECTORS

Sanjeev Kaushik
Government Nominee Director

Aditya Gaiha
RBI Nominee Director

Bharath Krishna Sankar
Shareholder Director

Papia Sengupta
Shareholder Director

Balmukund Sahay
Part time Non Official Director

Vishvesh Kumar Goel
Part time Non Official Director

STATUTORY CENTRAL AUDITORS

For SRIRAMAMURTHY & CO
Chartered Accountants
FR No. 003032S

M. PRATYUSHA
Partner
(M. No . 254141)

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FR No. 002424S

VARALAKSHMI MURALI
Partner
(M No. 028863)

M/s S A R C & ASSOCIATES
Chartered Accountants
FR No: 006085N

CHETAN THAKKAR
Partner
(M No.114196)

SCHEDULE 1 - CAPITAL

(Rs in Crore)

Particulars	As on 31.03.2022	As on 31.03.2021
I. Authorised Capital		
300,00,00,000 Equity Shares of Rs.10/- each	3000.00	3,000.00
II. Issued, Subscribed and Paid up:		
a) 99,45,49,600 Equity shares of Rs.10/- each held by Central Government (P.Y. 99,45,49,600 Equity Shares of Rs.10 each)	994.55	994.55
b) 25,08,91,539 Equity Shares of Rs.10/- each held by Public (P.Y. 13,48,16,970 Equity Shares of Rs.10 each)	250.89	134.82
Total	**1245.44**	**1,129.37**

SCHEDULE 2 - RESERVES AND SURPLUS

(Rs in Crore)

Particulars	As on 31.03.2022	As on 31.03.2021
I. STATUTORY RESERVES		
a) Opening Balance	8649.75	4,694.20
b) Additions during the period	986.22	3,955.55
c) Deductions during the period		-
TOTAL I	9635.97	**8,649.75**

II. CAPITAL RESERVES

A) Revaluation Reserve	As on 31.03.2022	As on 31.03.2021
a) Opening Balance	5754.97	2,987.84
b) Additions during the period	599.47	2,909.99
c) Deductions during the period	143.42	142.86
TOTAL (A)	6211.02	**5,754.97**

B) Others	As on 31.03.2022	As on 31.03.2021
a) Opening Balance	962.79	388.55
b) Additions during the period	147.90	574.24
c) Deductions during the period		-
TOTAL (B)	1110.69	**962.79**

TOTAL II (A + B)	**7321.71**	**6,717.76**

III. SHARE PREMIUM	As on 31.03.2022	As on 31.03.2021
a) Opening Balance	857.62	4,026.65
b) Additions during the period	1533.92	15,806.50
c) Deductions during the period		18,975.53
TOTAL III	2391.54	**857.62**

IV. REVENUE AND OTHER RESERVES

A) Revenue Reserve	As on 31.03.2022	As on 31.03.2021
a) Opening Balance	13369.84	7,669.06
b) Additions during the period	1800.00	5,557.92
c) Tfrd from Revaluation Reserve	143.42	142.86
d) Deductions during the period		-
TOTAL (A)	15313.26	**13,369.84**

B) Special Reserve U/S 36(1)(viii) of IT Act	As on 31.03.2022	As on 31.03.2021
a) Opening Balance	2181.35	725.52
b) Additions during the period	108.35	1,455.83
c) Deductions during the period	-	-
TOTAL (B)	2289.70	**2,181.35**

C) Special Reserve U/S 36(1)(viii a) of IT Act	As on 31.03.2022	As on 31.03.2021
a) Opening Balance	58.20	58.20
b) Additions during the period	-	-
c) Deductions during the period	-	-
TOTAL (C)	58.20	**58.20**

D) Investment Fluctuation Reserve	As on 31.03.2022	As on 31.03.2021
a) Opening Balance	1031.90	566.99
b) Additions during the period	-	464.91
c) Deductions during the period	-	-
TOTAL (D)	1031.90	**1,031.90**

E) Investment Reserve	As on 31.03.2022	As on 31.03.2021
a) Opening Balance	186.38	47.80
b) Additions during the period	-	138.58
c) Deductions during the period	-	-
TOTAL (E)	186.38	**186.38**

F) Foreign Currency Translation Reserve	As on 31.03.2022	As on 31.03.2021
a) Opening Balance	421.93	437.26
b) Additions during the period	-	-
c) Deductions during the period	24.69	15.33
TOTAL (F)	397.24	**421.93**

G) IRS Reserve	As on 31.03.2022	As on 31.03.2021
a) Opening Balance	1.91	-
b) Additions during the period	-	1.91
c) Deductions during the period	-	-
TOTAL (G)	1.91	**1.91**

TOTAL IV (A + B + C + D+ E + F + G)	**19278.59**	**17,251.51**

V. AMALGAMATION RESERVE	As on 31.03.2022	As on 31.03.2021
a) Opening Balance	4006.91	-
b) Additions during the period	-	4,006.91
c) Deductions during the period	-	-
TOTAL V	4006.91	**4,006.91**

VI. PROFIT & LOSS ACCOUNT	As on 31.03.2022	As on 31.03.2021
Opening Balance	845.15	556.71
Additions during the period	4141.81	247.14
Deductions during the period	3915.19	18,934.23
Adjustment from Share Premium	-	18,975.53
TOTAL VI	1071.77	**845.15**

TOTAL (I+II+III+IV+V+VI)	**43706.49**	**38,328.70**

SCHEDULE 2 A - MINORITY INTEREST

(Rs in Crore)

Particulars	As on 31.03.2022	As on 31.03.2021
Minority interest on the date on which the parent-subsidiary relationship came into existence	3.27	3.27
Subsequent increase/ decrease	21.71	19.33
Minority interest on the date of balance sheet	24.98	22.60

Corporate Office Chennai-600 014 Accounts Department

SRIRAMAMURTHY & CO. 03032S Chartered Accountants

Ravi Rajan & Co. LLP New Delhi Chartered Accountants

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No. 003990S/S200018 CHENNAI

G. NATESAN & CO. CHENNAI 600 018 CHARTERED ACCOUNTANTS

NEW DELHI-20 CHARTERED ACCOUNTANTS

SCHEDULE 3 - DEPOSITS

(Rs in Crore)

Particulars	As on 31.03.2022	As on 31.03.2021
A.I. Demand Deposits		
(i) From Banks	125.60	289.29
(ii) From others	36588.93	32,053.15
II. Savings Bank Deposits	211205.86	1,95,250.29
III.Term Deposits		
(i) From Banks	6067.87	5,323.10
(ii) From others	339582.62	3,05,113.97
Total A (I,II & III)	**593570.88**	**5,38,029.80**
B.(I) Deposits of branches in India	584613.72	5,29,222.92
(II) Deposits of branches outside India	8957.15	8,806.88
Total B (I & II)	**593570.87**	**5,38,029.80**

SCHEDULE 4 - BORROWINGS

(Rs in Crore)

Particulars	As on 31.03.2022	As on 31.03.2021
I. Borrowings in India		
(i) RBI	0.00	5,032.04
(ii) Other Banks	7.07	4.95
(iii) Other Institutions and Agencies	15286.53	14,948.82
II.Borrowings outside India	1859.25	4,776.96
Total (I & II)	**17152.85**	**24,762.77**

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(Rs in Crore)

Particulars	As on 31.03.2022	As on 31.03.2021
I. Bills Payable	1585.17	1443.92
II. Inter-Office adjustments (net)	0.00	5073.01
III. Interest Accrued	994.22	1041.93
IV. Others (including provisions)	15816.40	15703.07
Total	**18395.79**	**23261.93**

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(Rs in Crore)

Particulars	As on 31.03.2022	As on 31.03.2021
I. Cash in hand (including foreign currency notes)	1962.45	1658.38
II.Balances with Reserve Bank of India - (i) in Current Account	22092.01	25886.80
(ii) in Other Accounts	0.00	0.00
Total	**24054.46**	**27545.18**

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

(Rs in Crore)

Particulars	As on 31.03.2022	As on 31.03.2021
I. In India		
(i) Balances with Banks		
(a) in Current Accounts	30.64	116.03
(b) in Other Deposit Accounts	1413.81	2065.07
(ii) Money at call and short notice		
(a) with Banks	34500.20	8900.00
(b) with other institutions	0.00	0.00
Total I (i & ii)	**35944.65**	**11081.10**
II.Outside India		
(i) in Current Account	503.98	1577.68
(ii) in Other Deposit Accounts	19453.09	11270.82
(iii) Money at call and short notice	12.04	29.37
Total II (i, ii & iii)	**19969.11**	**12877.87**
Grand Total (I & II)	**55913.76**	**23958.97**

SCHEDULE 8 - INVESTMENTS

(Rs in Crore)

Particulars	As on 31.03.2022	As on 31.03.2021
I. Investments in India		
Gross Investments	180407.76	181348.95
Less : Provision for Depreciation & NPI	5608.72	5382.93
Net Investment	**174799.04**	**175966.02**
(i) Government securities	140854.58	157952.46
(ii) Other approved securities	7.25	9.14
(iii) Shares	1214.57	996.38
(iv) Debentures and Bonds	30739.72	13653.87
(v) Investment in Associates	1011.85	861.55
(vi) Others	971.07	2492.62
Total	**174799.04**	**175966.02**
II. Investments outside India in		
Gross Investments	1800.52	2420.90
Less : Provision for Depreciation & NPI	97.95	94.48
Net Investment	**1702.57**	**2326.42**
(i) Government securities (including local authorities)	1702.01	2304.10
(ii) Investments in Associates	0.00	0.00
(iii) Other investments(to be specified)		
(a) Shares	0.56	0.60
(b) Debt Securities	0.00	21.72
Total	**1702.57**	**2326.42**
Grand Total (I&II)	**176501.61**	**178292.44**

SCHEDULE 9 - ADVANCES

(Rs in Crore)

Particulars	As on 31.03.2022	As on 31.03.2021
A. (i) Bills Purchased and discounted	3430.06	2131.35
(ii) Cash credits, overdrafts and loans repayable on demand	245298.44	220090.98
(iii)Term Loans	140457.57	140446.75
(iv) Others	0.00	0.00
Total (A)	**389186.07**	**362669.08**
B. (i) Secured by tangible assets (includes advances against book debts)*	322961.60	320789.57
(ii) Covered by Bank / Government Guarantees	39614.40	22887.66
(iii) Unsecured	26610.06	18991.85
Total (B)	**389186.06**	**362669.08**
C. I. Advances in India		
(i) Priority Sector	163407.16	156301.48
(ii) Public Sector	67147.92	64398.78
(iii) Banks	0.00	169.24
(iv) Others	139011.85	131526.74
Total (C-I)	**369566.93**	**352396.24**
C. II.Advances outside India		
(i) Due from Banks	11105.63	4475.58
(ii) Due from Others		
(a) Bills Purchased & discounted	2541.53	771.17
(b) Syndicated Loans	4650.75	3515.42
(c) Others	1321.23	1510.68
Total (C-II)	**19619.14**	**10272.85**
Total (C-I+C-II)	**389186.07**	**362669.09**

* includes advances against Book Debt: ₹67000 84 07 , (previous year: ₹63247 10 63)

SCHEDULE 10 - FIXED ASSETS

(Rs in Crore)

Particulars	As on 31.03.2022	As on 31.03.2021
I. Premises		
At cost/ revaluation as per last Balance Sheet	6866.57	6862.57
Additions/ adjustments during the year	601.26	4.00
Deductions during the year	4.69	0.00
Depreciation to date	1415.80	1246.78
Net Value	**6047.34**	**5619.79**
IA.Premises under Construction	**0.97**	**1.07**
II. Other Fixed Assets (including furniture & fixtures)		
At cost as per last Balance Sheet	4666.96	4158.17
Additions during the year	319.43	556.66
Deductions during the year	89.07	47.87
Depreciation to date	3757.47	3383.29
Net Value	**1139.85**	**1283.67**
IIA.Leased Assets		
At cost as per last Balance Sheet	552.10	552.43
Additions during the year	0.00	0.00
Deductions during the year including provisions	2.53	0.33
Depreciation to date	41.22	64.50
Net Value	**508.35**	**487.60**
III. Capital-work-in-progress (Leased Assets) net of provisions	**2.40**	**0.43**
Total (I,IA,II,&IIA)	**7698.91**	**7392.56**

SCHEDULE 11 - OTHER ASSETS

(Rs in Crore)

Particulars	As on 31.03.2022	As on 31.03.2021
I. Inter Office Adjustment (net)	270.53	
II. Interest accrued	2999.69	4142.80
III. Tax paid in advance/ Tax deducted at source	6440.81	6655.17
IV. Stationery and stamps	27.14	46.44
V. Non-banking assets acquired in satisfaction of claims	51.38	51.38
VI. Deferred Tax assets (Net)	3885.69	2851.41
VII.Others	7066.38	11929.74
Total	**20741.62**	**25676.94**

SCHEDULE 12 - CONTINGENT LIABILITIES

(Rs in Crore)

Particulars	As on 31.03.2022	As on 31.03.2021
I. Claims against the Bank not acknowledged as debts (Net)	2159.16	953.37
II. Liability for partly paid Investments	462.77	373.82
III. Liability on account of outstanding forward exchange contracts	306197.71	254856.84
IV.Guarantees given on behalf of constituents		0.00
(a) In India	21969.84	17792.78
(b) Outside India	300.68	379.99
V. Acceptances, endorsements and other obligations	10837.92	9394.29
VI.Other items for which the bank is contingently liable	11658.74	9855.68
Total	**353586.82**	**293606.77**

SCHEDULE 13 - INTEREST EARNED

(Rs in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
I. Interest/ discount on advances/ bills	26927.55	27363.57
II. Income on Investments	10970.83	11170.35
III. Interest on balances with Reserve Bank of India and other inter-bank funds	851.52	425.71
IV. Others	111.75	148.45
Total	**38861.65**	**39108.08**

SCHEDULE 14 - OTHER INCOME

(Rs in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
I. Commission, exchange and brokerage	1181.89	1131.77
II. Profit on sale of land, buildings and other assets	7.40	2.84
Less: Loss on sale of land, buildings and other assets	4.35	3.26
Net	3.05	-0.42
III. Profit on exchange transactions	689.99	406.22
Less: Loss on exchange transactions	0.00	0.00
Net	689.99	406.22
IV. Profit on sale of Investments (net)	1757.16	2261.90
Less: Loss on sale of investments	122.36	136.37
Net	1634.80	2125.53
V. Profit on Revaluation of Investments (net)	0.01	0.02
Less: Loss on revaluation of investments	343.25	429.08
Net	-343.24	-429.06
VI. a) Lease finance/ Hire Purchase income	0.02	0.04
b) Income earned by way of dividends etc. from companies and/ or joint ventures abroad/ in India	26.79	12.45
VII. Miscellaneous Income	4213.20	2864.87
Total	**7406.50**	**6111.40**

SCHEDULE 15 - INTEREST EXPENDED

(Rs in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
I. Interest on deposits	20933.43	22218.39
II. Interest on Reserve Bank of India/ inter-bank borrowings	248.46	400.90
III. Others	947.36	819.51
Total	**22129.25**	**23438.80**

Sriramamurthy & Co. Chartered Accountants 03032S

Ravi Rajan & Co. LLP Chartered Accountants New Delhi

PKF Sridhar & Santhanam LLP Firm Regn. No: 003990S/S200018 Chennai

G. Natesan & Co. Chartered Accountants Chennai 600 018

SARC & Associates Chartered Accountants

SCHEDULE 16 - OPERATING EXPENSES

(Rs in Crore)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
I. Payments to and provisions for employees	6738.44	6411.62
II. Rent, taxes and lighting	615.43	611.77
III. Printing and stationery	85.85	58.53
IV. Advertisement and publicity	30.20	14.92
V. (a) Depreciation on Bank's property other than Leased Assets	600.68	633.17
(b) Depreciation on Leased Assets	0.18	3.73
VI. Directors' fees, allowances and expenses	1.17	0.77
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	47.64	63.29
VIII.Law charges	20.26	23.66
IX. Postage, telegrams, telephones, etc.	111.29	118.93
X. Repairs and maintenance	246.33	201.76
XI. Insurance	742.31	682.42
XII. Other expenditure	2113.76	1964.71
Total	**11353.54**	**10789.28**

इंडियन बैंक / INDIAN BANK Corporate Office Chennai 600 014 लेखा विभाग / Accounts Department

SRIRAMAMURTHY & Co. 03032S Chartered Accountants

Ravi Rajan & Co. LLP New Delhi Chartered Accountants

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No. 003990S/S200018 CHENNAI

G. NATESAN & CO. CHENNAI 600 018 CHARTERED ACCOUNTANTS

S.A.R.C & ASSOCIATES NEW DELHI-20 CHARTERED ACCOUNTANTS

Schedule -17

Significant Accounting Policies (Consolidated)

1. ACCOUNTING CONVENTION:

The financial statements are prepared by following the going concern concept on historical cost convention unless otherwise stated. They conform to generally accepted accounting principles in India, which comprises statutory provisions, regulatory / Reserve Bank of India guidelines, accounting standards / guidance notes issued by the Institute of Chartered Accountants of India and the practices prevalent in the Banking Industry in India. In respect of foreign branches as per statutory provisions and practices prevailing in the respective countries.

2. USE OF ESTIMATES:

The preparation of financial statements requires the management to make estimates and assumptions for considering the reported assets and liabilities (including contingent liabilities) as on the date of financial statements and the income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

3. CONSOLIDATION PROCEDURE:

a. Consolidated financial statements of the "Bank" (parent and its subsidiaries, its Joint Ventures) have been prepared on the basis of audited financial statements of Indian Bank (parent) and audited financial statements of its subsidiaries viz. (1) Ind Bank Housing Ltd, (2) Indbank Merchant Banking Services Ltd., its Joint Venture viz. (1) Universal Sompo General Insurance Co. Ltd, (2) ASREC (India) Limited after eliminating intra group transactions and unrealized profit/losses and making necessary adjustments except wherever otherwise stated in accordance with accounting standard 27 "Financial Reporting of interest in joint Ventures" issued by the institute of Chartered accountants of India. The financial statements of the subsidiaries and Joint Ventures are drawn up to the same reporting date of the parent.

b. The Subsidiaries, Joint Ventures and Associates follow Accounting Policies as prescribed by the respective regulatory authorities and as per statutory requirements. In view of such diverse accounting policies required to be followed, the consolidated financial statements have been prepared by adopting the respective accounting policies of the mandated / statutory requirements.

c. The difference between the cost to the parent of its investment in subsidiary entity and the parent's portion of its equity in the subsidiary with reference to the date of acquisition is recognized in the consolidated financial statement as Capital Reserve/Goodwill. The parent's share in the post-acquisition profits/losses is adjusted against the Revenue Reserve.

d. The minority interests in the net result of the operation and the asset of the subsidiary, represent that part of profit and the net asset attributable to the minorities.

e. Investments in Associates are accounted for under the Equity Method as per Accounting Standard -23 (AS - 23) - "Accounting for Investments in Associates in Consolidated Financial Statements" issued by ICAI based on the audited Financial Statements of the Associates.

4. TRANSACTIONS INVOLVING FOREIGN EXCHANGE:

PARENT:

4.1 Foreign Currency transactions of Indian operations and non-integral foreign operations are accounted for as per Accounting Standard-11 (AS-11) issued by the Institute of Chartered Accountants of India (ICAI).

4.2 Translation in respect of Indian operations:

a) Foreign exchange transactions are recorded at the Weekly Average Rate (WAR) notified by Foreign Exchange Dealers' Association of India (FEDAI).
b) Foreign currency assets and liabilities are translated at the closing rates notified by FEDAI at the year end.
c) Acceptances, endorsements and other obligations and guarantees in foreign currency are carried at the closing rates notified by FEDAI at the year end.
d) Exchange differences arising on settlement and translation of foreign currency assets and liabilities at the end of the financial year are recognized as income or expenses in the period in which they arise.
e) Outstanding forward exchange contracts are disclosed at the Contracted rates, and revalued at FEDAI closing rates, and the resultant effect is recognized in the Profit and Loss account.

4.3 Translation in respect of non-integral foreign operations:

Foreign branches are classified as non-integral foreign operations and the financial statements are translated as follows:

1. Assets and liabilities including contingent liabilities are translated at the closing rates notified by FEDAI at the year end.
2. Income and expenses are translated at the Quarterly Average Closing rate notified by FEDAI at the end of the respective quarter.
3. All resulting exchange differences are accumulated in a separate account "Foreign Currency Translation Reserve" (FCTR) till the disposal of the net investments.

5. INVESTMENTS

PARENT:

5.1.1 The entire investment portfolio of the Bank is classified in accordance with the RBI guidelines into three categories viz.

- Held To Maturity (HTM)
- Available For Sale (AFS)
- Held For Trading (HFT)

The securities acquired with the intention to be held till maturity are classified under **"HTM"** category. The securities acquired with the intention to trade by taking advantage of short–term price / interest movements are classified as **"HFT".** All other securities which do not fall under any of the two categories are classified under **"AFS"** category.

An investment is classified as Held to Maturity, Available for Sale or Held for Trading at the time of its purchase/acquisition and subsequent shifting is done in conformity with the Regulatory guidelines. Transfer of scrips, if any, from one category to another is done at the lowest of acquisition cost/book value/market value on the date of transfer and depreciation, if any, on such transfer is fully provided for.

Investment in Subsidiaries, Joint Ventures and Associates are classified as Held to Maturity.

Profit on sale of securities under HTM category is first taken to Profit and Loss account and thereafter appropriated to Capital Reserve account (net of taxes and amount required to be transferred to statutory reserves) and loss, if any, charged to Profit & Loss account.

5.1.2 Investments in India are valued in accordance with RBI guidelines, as under:

a) Securities in **HTM** category are valued at acquisition cost except where the acquisition cost is higher than the face value, in which case, such excess of acquisition cost over the face value is amortized over the remaining period of maturity. Any diminution, other than temporary, in value of investments in subsidiaries/joint ventures/Associates which are included under HTM category is recognized and provided. Such diminution is being determined and provided for each investment individually. Investment in units of Venture Capital funds (VCF) / Alternate Investment Fund (AIF) made after 23.08.2006 are classified under HTM category for initial period of 3 years and valued at cost.

b) Investment in Subsidiaries, Joint Ventures and Associates are valued at historical cost. Investment in sponsored Regional Rural Banks (RRB) are valued at carrying cost (i.e. Book value).

c) Investments in **AFS** category are marked to market, scrip-wise and classification wise, at quarterly intervals. Net depreciation, if any, is provided for in the Profit and Loss account while net appreciation, if any, is ignored. The book value of the individual securities does not undergo any change after marking to market.

d) The individual scrips in the **HFT** category are marked to market at daily intervals. Net depreciation, if any, is provided for in the Profit and Loss account while net appreciation, if any, is ignored. The Book Value of the individual securities in this category does not undergo any change.

Securities in **AFS and HFT** categories are valued as under:

i. Central Government Securities and State Govt. Securities are valued at prices / YTM rates as announced by Primary Dealers Association of India (PDAI) jointly with Fixed Income Money Market and Derivatives Association of India (FIMMDA) / Financial Benchmark India Private Ltd (FBIL).

ii. Other approved securities are valued applying the YTM method by marking up 25 basis points above the yields of the Central Government Securities of equivalent maturity put out by PDAI / FIMMDA/ FBIL periodically.

iii. Equity shares are valued at market price, if quoted. Unquoted equity shares are valued at break-up value (without considering revaluation reserves if any) as per the company's latest balance sheet (not more than one year prior to the date of valuation). Otherwise, the shares are valued at Re. 1 per company.

iv. Preference shares are valued at market price, if quoted; otherwise at lower of the value determined based on the appropriate YTM rates or redemption value.

v. All debentures/bonds, other than those which are in the nature of advances, are valued on the YTM basis.

vi. Treasury bills, Certificate of deposits and Commercial papers are valued at carrying cost.

vii. Units of Mutual Funds are valued at market price, if quoted; otherwise at lower of repurchase price or Net Asset Value (NAV). In case of funds with a lock-in period, where repurchase price / market quote is not available, units are valued at NAV, else valued at cost till the end of the lock-in period.

viii. Investment in units of Venture Capital funds (VCF) / Alternate Investment Fund (AIF) made after 23.08.2006 are classified under HTM category for initial period of 3 years and valued at cost. After period of 3 years from the date of disbursement, it will be shifted to AFS and marked-to-market as per RBI guidelines.

5.1.3 In respect of investment at Overseas branches, RBI guidelines or those of the host countries whichever are more stringent are followed. In case of those branches situated in countries where no guidelines are specified, the guidelines of RBI are followed.

5.1.4 Non-performing investment (NPI) are identified as stated below, as per guidelines issued by RBI.

a) Securities/Non-cumulative Preference shares where interest/fixed dividend/installment (including maturity proceeds) is due and remains unpaid for more than 90 days.

b) If any credit facility availed by the issuer from the Bank is a Non-performing advance in the books of the bank, investment in any of the securities including preference shares issued by the same issuer would also be treated as NPI and vice-versa. However, if only the preference shares are classified as NPA, the investments in any of the other performing securities issued by the same issuer may not be classified as NPI and any performing credit facilities granted to that borrower need not be treated as NPA.

c) In case of other equity investments, classified as NPI, shares are valued at market price, if quoted and in case it is not quoted, they are valued at Re.1 per company.

d) Investments backed by guarantee of the Central Government though overdue are treated as Non-Performing Asset (NPA) only when the Government repudiates its guarantee when invoked.

e) Investment in State Government guaranteed securities, including those in the nature of 'deemed advances', are subjected to asset classification and provisioning as per prudential norms if interest/ installment of principal (including maturity proceeds) or any other amount due to the Bank remains unpaid for more than 90 days.

5.1.5 Brokerages / Commission / incentive received on subscriptions are deducted from the cost of securities. Brokerage / Commission / Stamp duty paid in connection with acquisition of securities are treated as revenue expenses.

5.1.6 Interest Rate Swap transactions for trading is marked to market at quarterly intervals. The fair value of the total swaps is computed on the basis of the amount that would be received/ receivable or paid/ payable on termination of the swap agreements as on the balance sheet date. Losses arising there from, if any, are fully provided for, while the profit, if any, is ignored

5.1.7 Exchange traded FX Derivatives i.e. Currency Futures, are valued at the Exchange determined prices and the resultant gains and losses are recognized in the Profit and Loss account.

5.1.8 Premium/interest arising at the inception of forward exchange swap facility of RBI for FCNR (B) dollar deposits is amortized as expense over the period of the swap contract.

5.1.9 Cost of investments is determined based on the Weighted Average Cost method in each category. Investments classified under HTM are carried at acquisition cost as arrived under Weighted Average Cost method and in case the weighted average cost is more than the face value, the premium is amortised over the remaining period of maturity.

5.1.10 Accounting for Repo/Reverse Repo transactions:

All types of repo/reverse repo transactions with RBI including LAF, variable rate term operations, Long term Repo operations (LTRO),MSF and also Market Repo transactions are accounted as per RBI guidelines.

The securities sold and purchased under Repo/Reverse Repo are accounted as Triparty Repo wherein securities are transferred as in the case of normal outright sale/purchase transactions and such movement of securities is reflected using the Repo/Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as Interest expenditure / income, as the case may be. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified under Schedule 7 (Balance with Banks and Money at Call & Short Notice).

SUBSIDIARY COMPANIES:

5.2 **Indbank Merchant Banking Services Ltd:**

The investments held by the Company are all long term investments. Long term investments are carried at cost less provision for diminution, other than temporary in nature. The Company has reckoned diminution in value of shares /debentures as permanent in nature by relying on market value of quoted shares and book value / fair value whichever is higher in respect of unquoted shares.

5.3 **Ind Bank Housing Ltd**

Investments are classified into current investments and long term investments. Investments are valued at lower of cost or market value for each investment individually as per NHB guidelines in force.

6. FINANCIAL ASSETS SOLD TO SECURITISATION COMPANIES (SC) / RECONSTRUCTION COMPANIES (RC)

Parent:

6.1 Security Receipts (SR) issued by SCs/RCs in respect of financial assets sold to them is recognized at lower of redemption value of SRs and Net Book Value of financial assets. SRs are valued at:

(a) SRs issued by SCs/RCs prior to 01.04.2017 at Net Asset Value declared by SCs/RCs on the Balance Sheet date and depreciation, if any, is provided for and appreciation is ignored.

(b) As per amended guidelines issued by RBI with effect from April,01,2017, provisioning requirement on SRs will be higher of

(i) provisioning rate in terms of Net Asset Value declared by the SCs/RCs

(ii) provisioning rate as applicable to the underlying loans, assuming that the loans notionally continued in the books of the bank

6.2 In case of financial assets sold to RC, the valuation and, income recognition is being done as per RBI Guidelines. If the sale is for value lower than the Net Book Value (NBV) (i.e, book value less provisions held), the shortfall is debited to the Profit and Loss account or met out of utilization of Floating provision held, as per extant RBI guidelines.

6.3 If the cash received (by way of initial consideration and /or redemption of security receipts) is higher than the Net Book value of the Non-Performing Asset (NPA) sold to RC, then excess provision is reversed to the Profit and Loss account. The quantum of excess provision reversed to Profit and Loss account is limited to the extent to which cash received exceeds the NBV of the NPA sold.

7 ADVANCES

PARENT:

7.1.1 In accordance with the prudential norms issued by RBI, advances in India are classified into Standard, Sub-Standard, Doubtful and Loss assets borrower-wise.

7.1.2 Provisions are made for non performing advances as under:

a) Sub Standard:
   - i) A general provision of 15% on the total outstanding
   - ii) Additional provision of 10% for exposure which are unsecured ab-initio (ie., where realizable value of securities is not more than 10% ab-initio)

b) Doubtful category-1
   - i) 25 % for Secured portion.
   - ii) 100% for Unsecured portion.

c) Doubtful Category – 2
   - i) 40 % for Secured portion.
   - ii) 100% for Unsecured portion.

e) Doubtful category-3 and Loss advances – 100 %.

7.1.3 Provision is made for standard advances including Restructured / Rescheduled standard advances as per RBI directives.

7.1.4 In respect of foreign branches, income recognition, asset classification and provisioning for loan losses are made as per local requirement or as per RBI prudential norms, whichever is more stringent.

Further,if an asset in the overseas books of the Bank requires to be classified as NPA at any point of time in terms of regulations issued by Reserve Bank of India, then all the facilities granted by the bank

to the borrower and investment in all the securities issued by the borrower will be classified as NPAs/NPIs.
However,accounts classified as Non-performing/Impaired assets (NPAs) by host regulators for reasons other than record of recovery, would be classified as NPAs at the time of consolidating financial statements in India and provided for, as required; whereas asset classification of other credit exposures to the same counterparties in other jurisdictions (including India) will continue to be governed by the extant guidelines in the respective jurisdictions.

7.1.5 Advances disclosed are net of provisions made for non-performing assets, DICGC/ ECGC/ CGTMSE claims received and held pending adjustment, repayments received and kept in sundries account, participation certificates, usance bills rediscounted and provision in lieu of diminution in the fair value of restructured accounts classified as standard assets.

8. FIXED ASSETS / DEPRECIATION

8.1 PARENT:

8.1.1 Fixed assets are carried at cost / revalued amount less accumulated depreciation / amortization

8.1.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalized only when it increases the future economic benefits from such assets on their functioning capacity.

8.1.3 Depreciation on buildings (including cost of land wherever inseparable / not segregated) and other fixed assets in India will be provided for on the straight-line method at the rates / useful life, as specified below:

S No.	Description of fixed assets	Depreciation Rate/ Useful Life
1	Computers	33.33% every year
2	Computer Software forming an integral part of the Computer hardware	33.33% every year
3	Computer Software which does not form an integral part of Computer hardware and cost of Software Development	33.33% every year

S No.	Description of fixed assets	Depreciation Rate/ Useful Life
4	Automated Teller Machine/ Cash Deposit Machine / Coin Vending Machine	20.00% every year
5	Servers	33.33% every year
6	Network equipment	20.00% every year
7	Other fixed assets	Estimated useful life of major group of assets are as under: Premises: 60 years Safes / Locker / Doors (Steel): 20 years Vehicles : 5 years Furniture and Fixtures : 10 years Cell phones : 1 year

8.1.4 In respect of assets sold / acquired during the year, depreciation will be charged on proportionate basis for the number of days the assets have been put to use / from the Date of capitalization during the year.

8.1.5 Assets costing uptoRs 5000/- will be fully depreciated in the year of purchase.

8.1.6 The revalued asset will be depreciated over the balance useful life of the asset as assessed at the time of revaluation.

The increase in Net Book Value of the asset due to revaluation will be credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Depreciation relatable to revalued component will be charged against revenue expenditure and an equivalent amount will be charged straight away against revaluation reserve and credited to the revenue reserve, as per revised AS 10 issued by ICAI.

8.1.7 In respect of Assets where subsidy is received from Government, the same will be credited to the respective asset account and depreciation will be charged accordingly.

8.1.8 Premium on leasehold land will be capitalized in the year of acquisition and amortized over the period of lease.

8.1.9 Depreciation in respect of fixed assets at foreign branches will be provided as per the practice prevailing in the respective countries.

8.1.10 In respect of Non-Banking Assets, no depreciation will be charged.

Subsidiary Companies :

8.2 Indbank Merchant Banking Services Ltd :
Fixed Assets are stated at historical cost less accumulated depreciation & provision for impairment (if Any). Leased assets (Contracted prior to December 1997) are further adjusted for the balance in Lease adjustment account.

DEPRECIATION

a) On Assets other than given on lease:

In respect of assets other than assets given on lease, the company provides depreciation on the assets on the Straight Line Method (SLM) based on the useful life of the asset as prescribed in Schedule II to the Companies Act, 2013, on pro-rata basis. Software costs are amortised on SLM over a period of three years, from the year of acquisition.

b) On Assets given on lease under discontinuing operations:

In respect of Assets given on lease under discontinuing operation, the Company provides depreciation on the assets in the WDV method on pro-rata basis, the month in which the assets are installed taken as full month. The cost of the Assets given on lease are amortised fully during the Lease period. {In accordance with the Guidance note on Accounting for Leases (revised) issued by the ICAI}. The difference between the statutory depreciation and the annual lease charge is adjusted through the Lease Equalisation, which is adjusted with the lease income.

Indbank Housing Ltd :

8.3 Fixed Assets are capitalized at cost and or stated at cost less deprecation. Depreciation is calculated on written down value method at the rates prescribed in Schedule II to the companies Act, 2013.

9. REVENUE RECOGNITION

9.1 PARENT :

9.1.1 Income and expenditure are generally accounted for on accrual basis, unless otherwise stated.
9.1.2 Income from non-performing assets, Central Government guaranteed assets (where it is overdue beyond 90 days), dividend income, insurance claims, commission on letters of credit / guarantees issued (other than those relating to project finance), income from wealth management, additional interest / overdue charges on bills purchased, finance charges on credit cards, income on Bank's right to recompense, AMC charges on debit cards are accounted for on realisation basis and locker rent received, income from Bancassurance products are accounted on accrual basis.

9.1.3 In case of overdue foreign bills, interest and other charges are recognised till the date of crystallisation as per FEDAI guidelines.

Subsidiary Companies:

9.2 Indbank Merchant Banking Services Ltd

a. Issue Management Fee and fees for other managerial services - Considered on the completion of assignment.
b. Underwriting Commission and brokerage on distribution of financial products – Considered on receipt of subscription particulars.
c. Brokerages under stock broking operations are accounted on completion of contracts.
d. Interest on overdue lease rentals and hire purchase instalments are accounted for on receipt basis. Since the outstanding amount is fully provided for in the books of accounts, the amounts received are adjusted towards the principal outstanding and balance, if any, towards interest.
e. Dividend income is recognized when the right to receive is established.
f. Annual Maintenance and transaction charges under depository participant operations are considered yearly and on completion of transactions respectively.

9.3 Indbank Housing Ltd:

a) The Company follows National Housing Bank's Prudential Norms for recognition of Income and Provisioning for Non-Performing Assets.
b) Repayment of housing loans is by way of Equated Monthly Instalments (EMIs) comprising of principal and interest. Interest is

calculated every half year on the opening balance at the beginning of the respective half year/ year. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI interest payable is recognized every month

10. CREDIT CARD REWARD POINTS

Reward points earned by card members on use of Card facility is recognized as expenditure on such use.

11. NET PROFIT / LOSS

The result disclosed in the Profit and Loss Account is after considering:

- Provision for Non-Performing Advances and / or Investments.
- General provision on Standard Advances
- Provision for Restructured Advances
- Provision for Depreciation on Fixed Assets
- Provision for Depreciation on Investments
- Transfer to/ from Contingency Fund
- Provision for direct taxes
- Provision for Unhedged Foreign Currency Exposure
- Usual or/and other necessary provisions

12. STAFF RETIREMENT BENEFITS

PARENT:

12.1.1 PROVIDENT FUND

Provident fund is a statutory obligation and in the case of Contributory Provident Fund optees, the Bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to Profit and Loss Account. The fund is managed by Indian Bank Staff Provident Fund Trust.

12.1.2 GRATUITY

Gratuity liability is a statutory obligation as per Indian Bank Employees' Gratuity Fund Rules and Regulations and is provided for on the basis of an actuarial valuation made at the end of the financial year. The gratuity liability is funded by the Bank and is managed by Indian Bank Employees Gratuity Fund Trust.

12.1.3 PENSION

a) Pension liability is a defined benefit obligation under Indian Bank (Employees) Pension Regulations 1995 and is provided for on the basis of actuarial valuation, for the employees who have joined Bank up to 31.03.2010 and opted for pension.

b) New Pension Scheme (NPS) which is applicable to employees who joined bank on or after 01.04.2010 and it is a defined contribution scheme. Under NPS the Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit and Loss Account.

12.1.4 COMPENSATED ABSENCES

Accumulating compensated absences such as Privilege Leave and Sick Leave are provided for based on actuarial valuation.

12.1.5 OTHER EMPLOYEE BENEFITS

Other Employee benefits such as Leave Fare Concession and Additional Retirement Benefit on Retirement are provided for based on actuarial valuation. In respect of overseas branches and offices, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

Subsidiary Companies:

Indbank Merchant Banking Services Ltd

12.2 Short Term employee benefits / obligations are estimated and provided for.

Gratuity – The Subsidiary has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Annual contribution is made to gratuity fund established as a Trust through a Group Gratuity Policy with Life Insurance Corporation of India. The Company's liability towards Gratuity is actuarially determined as at balance sheet date using the Projected Unit Credit (PUC) method. Actuarial gains and losses are recognized in revenue.

Provident Fund – The eligible employees are entitled to receive benefits under Provident Fund, a defined contribution plan in which both employees and the employer make monthly contributions at a specified percentage of the covered employees salary, the contributions as specified under the law are paid to the provident Fund and Pension Fund with Provident Fund Authorities.

Leave encashment – The eligible Leave encashment liability to the employees other than those deputed by Indian Bank has been provided for on the basis of actuarial valuation based on number of days unutilised leave as at each balance sheet date.

The retirement benefit liability to staff on deputation from Parent is borne by the Parent except eligible Provident Fund contribution.

Ind bank Housing Ltd:

12.3 Contribution to Provident Funds is made to the Regional Provident Fund Commissioner.

The Gratuity liability is covered by Trust formed under the Group Gratuity Scheme. The trust has purchased a Group Gratuity policy from LIC and the annual premium is paid through the Trust.

Liability for leave encashment is provided for on actuarial basis.

13. ACCOUNTING FOR LEASES

Lease payments including cost escalation for assets taken on operating lease are recognized in the Profit and Loss Account over the lease term or life whichever is lower.

14. CONTINGENT LIABILITIES AND PROVISIONS

14.1 Contingent liability: Past events leading to, possible or present obligations are recognised as contingent liability in the following instances where:

(a) The existence of such obligations has not been confirmed
(b) no outflow of resources are required to settle such obligations
(c) a reliable estimate of the amount of the obligations cannot be made
(d) such amounts are not material

14.2 (a) Provision is recognized in case of present obligations where a reliable estimate can be made and/or where there are probable outflow of resources embodying foregoing of economic benefits to settle the obligations, excluding frivolous claims.

(b) Provision for Market Risk, Country Risk, etc., are made in terms of extant instructions of RBI.

(c) Floating provision as identified by the Bank Management is provided for.

Floating provision may be utilized as per extant RBI guidelines, for -

(i) Making specific provisions for non-performing assets;
(ii) Meeting any shortfall in sale of non-performing assets.

15. IMPAIRMENT OF ASSETS

Impairment losses, if any, on Fixed Assets (including revalued assets) are recognized and charged to Profit and Loss Account in accordance with the Accounting Standard 28 "Impairment of Assets". However, an impairment loss on a revalued asset is recognized directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

16. TAXES ON INCOME

16.1 Provision for tax is made for both Current Tax and Deferred Tax.

16.2 Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates, tax laws and favorable judicial pronouncements / legal opinion.

16.3 Deferred Tax Assets and Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and tax laws that have been enacted or substantively enacted till the date of the Balance Sheet. Deferred Tax Assets are not recognized unless there is "virtual certainty" that sufficient future taxable income will be available against which such deferred tax assets will be realized.

17. Discontinuing Operations

In respect of Indbank Merchant Banking Services Ltd accounting policies adopted for discontinued operations are in line with the accounting policies adopted for continuing operations.

इंडियन बैंक Indian Bank

इलाहाबाद ALLAHABAD

SCHEDULE 18
NOTES ON ACCOUNTS TO CONSOLIDATED FINANCIAL STATEMENTS (2021-22)

1. SUBSIDIARIES:

Sl. No.	Name of the Subsidiary	Bank's Shareholding
1	Indbank Merchant Banking Services Ltd.	64.84%
2	Ind Bank Housing Ltd	51.00%

2. ASSOCIATES:

Sl. No.	Name of the Associates	Shareholding Pattern
a	Tamilnadu Grama Bank	35%
b	Saptagiri Grameena Bank	35%
c	Puduvai Bharathiar Grama Bank	35%

3. Accounting for Investment in Joint Ventures (As 27)

(Amount in ₹ crore)

Name of Entity	Country / Residence	Relationship	Ownership interest	Amount of shareholding
Universal Sompo General Insurance company Ltd	India	Joint Venture	28.52%	105.00
ASREC (India) Ltd	India	Joint Venture	38.26%	37.50

4. RECONCILIATION AND ADJUSTMENTS
PARENT:

a) Reconciliation of Inter Branch Account is completed up to 31.03.2022. The Bank through various effective steps has achieved reduction in the old outstanding entries in IBGA. Adjustments of the remaining outstanding entries are in progress. As per the Management, 5747 IBGA credit entries aggregating to Rs.4.86 crores are outstanding pertaining to period before 01.03.2009.

b) In view of the net credit position in respect of un-reconciled entries in the Inter Branch Account outstanding for more than 6 months as on 31.03.2022, no provision is required.

c) Old outstanding entries, in drafts payable, clearing adjustment, sundries receivable, sundry deposit accounts, etc. and in bank reconciliation relating to Reserve Bank of India and other banks are being regularly reviewed for appropriate adjustments.

d) Balancing of subsidiary/ ledgers, registers and reconciliation with general ledgers are in progress at some branches. In the opinion of the management, consequential financial impact of the above on the accounts will not be significant.

5. Property, Plant and Equipment (AS-10):

PARENT

5.1. The premises of the Bank include land and building are stated at revalued amount. The Bank revalued its premises in the financial year 2021-22 as on 28.02.2022 at fair market value determined by the approved external valuers. There is an increase of Rs. 599.48 Crore in the amount of revaluation of premises, which has been credited to "Revaluation Reserve Account".

For the year 2021-22, depreciation amounting to Rs.147.27 crores (Previous Year Rs.149.63 crore) was charged under expenditure and depreciation on revalued portion amounting to Rs.143.42 Crore (previous year Rs.142.87 crore) is adjusted against the "Revaluation Reserve account.

5.2. Registration formalities are yet to be completed for the following properties: -

Premises include 9 (7+2*) properties Original costing ₹.8.38 Crore (Previous year–9 (7+2*) Properties costing Rs. 8.38 Crore), having original / revalued book value of Rs. 66.74 Crore (Previous year – Rs. 59.74 Crore), net of depreciation at Rs. 1.46 Crore (Previous year – Rs. 1.40 Crore) for which registration formalities are pending.

* Property at Hyderabad costing Rs.1.61 Crore, where clearance is pending before ULC authority and at Chennai Costing Rs.2.32 Crore, where interim stay has been granted by DRAT.

5.3. Draw Down from Reserves:

(Amount in ₹ crore)

Reserves	Amount drawn		Purpose
	2021-22	2020-21	
Revaluation Reserve	143.42	142.87	Depreciation on revalued portion on Premises

*
The amount was credited to Revenue Reserve A/c as per the provisions of Accounting Standards AS-10

6. COVID 19 Measures

The spread of COVID-19 across the globe has resulted in declined economic activity and increased volatility in financial markets. In this situation, though the challenges continue to unfold, the Bank is gearing itself on all fronts to meet the same. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis. The extent to which the COVID-19 pandemic will impact the Bank's results will depend on future developments, which are highly uncertain. Major challenges for the Bank would be from extended working capital cycle and reduced cash flows. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period.

7. TAXATION

7.1. PARENT

Provision for Income Tax for the year:

(Amount in ₹ crore)

Particulars	2021-22	2020-21
Provision for Taxation (Income tax including Deferred Tax)	-740.59	-99.10

The disputed income tax demand paid as at 31.03.2022 was Rs.3953.36 Crore (previous year 3953.36 Crore). The same has also been included under contingent liabilities relating to Income Tax of Rs. 9187.03 Crore (previous year 7584.17 Crore) relating to disputed tax matters as at 31.03.2022. No provision is considered necessary for the said disputed demands on account of judicial pronouncements and favorable decisions in Bank's own case except in case of income relating to foreign branches for earlier periods amounting to Rs.275 Crore for which Bank has provided during the current year.

7.2. SUBSIDIARY COMPANIES:

7.2.1. INDBANK MERCHANT BANKING SERVICES LTD

a) A net provision of Rs.143.40 lakhs for tax has been made in the year.

b) No provision is made for the disputed demands of income tax keeping in view the judicial pronouncements and/or legal opinion on the issues.

c) The provision for deferred tax (net) for the year is Rs.11.77 lakhs (Previous year- Rs.70.49 lakhs) which has been charged to profit & loss account.

d) Prior period taxes : Nil

7.2.2. INDBANK HOUSING LTD

a. The unabsorbed depreciation and carry forward losses eligible for set-off against future taxable income have not been considered for deferred tax asset on the ground of virtual uncertainty.

b. The Income Tax Department has sent a demand notice for ₹ 4.32 crores for the assessment year 1999-2000 including interest. The demand is raised by considering the income on non-performing assets on accrual basis which, as per the NHB directives, could not be recognized as income. The Company has contested the demand and the matter is pending before the Hon'ble Madras High Court.

8. Consolidated Cash Flow Statement (AS-3)

	(Amount in ₹ crore)	
	Year ended	
Particular	**31.03.2022**	**31.03.2021**
Net Profit as per Profit and Loss Account	**4144.19**	**3150.58**
Add: Adjustments for :		
Provision for NPA	8446.60	7318.39
Provision for Investment	453.75	427.68
Provision for Standard Assets	961.57	469.40
Provision for Tax	(731.02)	(90.38)
Other Provisions and Contingencies	3.81	279.65
Depreciation on Fixed Assets	600.86	636.90
Interest on Capital Instrument	749.59	643.98
Loss/(profit) on sale of land and buildings	(3.05)	0.42
Income taxes paid	(12.18)	(19.72)
Operating Profit before working Capital Changes	**14614.12**	**12816.90**

Increase/Decrease in Operating Assets		
(Increase) / Decrease in Investments	1337.08	(15380.42)
(Increase) / Decrease in Advances	(34967.37)	(30252.79)
(Increase) / Decrease in Other Assets	4947.50	(2161.93)
	(28682.79)	**(47795.14)**
Increase/Decrease in Operating Liabilities		
Increase/(Decrease) in Deposits	55541.08	49525.72
Increase/(Decrease) in Borrowings (other than Capital Instruments)	(7009.92)	(6778.19)
Increase/(Decrease) in other liabilities	(5712.16)	9461.63
	42819.00	**52209.16**
Net cash generated from operations (A)	**28750.33**	**17230.92**
Cash flow from investing activities		
Purchase of fixed assets	(323.09)	(560.44)
Sale of fixed assets	18.40	15.56
Net cash generated from Investing Activities (B)	**(304.69)**	**(544.88)**
Cash flow from Financing activities		
Payment of dividend	(249.09)	0.00
Payment of distribution tax	0.00	0.00
Issue of AT-1 Bonds	0.00	2000.00
Issue of Tier -2 Bonds	0.00	2000.00
Redemtion of AT-1 Bonds	0.00	(500.00)
Redemtion of Tier-2 Bonds	(600.00)	(1000.00)
Interest on Capital Instrument	(782.48)	(631.94)
Capital Received towards Share	1650.00	0.00
Amount paid to e-AB Shareholder (for fraction part)	0.00	(2.51)
Net cash generated from financing activities (C)	**18.43**	**1865.55**
Cash & cash equivalents received on account of amalgamation (D)	**0.00**	**21777.86**
Net increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)+(D)	**28464.07**	**40329.45**
cash and cash equivalents at the beginning of the year		
cash in hand (including foreign currency notes)	1658.38	1006.09
Balances with Reserve Bank of India - in current Account	25886.80	4730.04
Balances with Banks		
(a) in current Accounts	116.03	8.86
(b) in other deposit accounts	2065.07	721.65
Money at Call and short notice with Banks	8900.00	2100.00
Balances with Banks outside India		
(a) in current Accounts	1577.68	530.93
(b) in other deposit accounts	11270.83	2068.49
Money at call and short notice	29.36	8.64
	51504.15	**11174.70**
Cash & Cash equivalents at the end of the year		
cash in hand (including foreign currency notes)	1962.45	1658.38
Balances with Reserve Bank of India - in current Account	22092.01	25886.80

Balances with Banks		
(a) in current Accounts	30.64	116.03
(b) in other deposit accounts	1413.81	2065.07
Money at Call and short notice with Banks	34500.20	8900.00
Balances with Banks outside India		
(a) in current Accounts	503.98	1577.68
(b) in other deposit accounts	19453.09	11270.83
Money at call and short notice	12.04	29.36
	79968.22	**51504.15**
Difference in Opening and closing cash and cash equivalents	28464.07	40329.45

9. EMPLOYEE BENEFITS (AS 15)

9.1. PARENT

9.1.1. Defined Contribution Plans:

Provident fund is a statutory obligation and in the case of Contributory Provident Fund Optees, the Bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to Profit and Loss Account. The fund is managed by Indian Bank Staff Provident Fund Trust. During the financial year 2021-22, the Bank has contributed ₹1.14 crores (previous year Rs.1.07 crores).

New Pension Scheme (NPS) is applicable to employees who joined bank on or after 01.04.2010 and it is a defined contribution scheme. Under NPS the Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit and Loss Account. During the financial year 2021-22, the Bank has contributed ₹. 255.18 crores (previous year ₹ 153.31 crores).

9.1.2. Defined Benefit Plans:

The summarized position of Post-employment benefits and long term employee benefits recognised in the Profit & Loss Account and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) are as under:

The following table sets out the basis of the Defined Benefit Pension Plan and Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Bank

PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]	31/03/2022	31/03/2021
Discount Rate -G-Sec Rate	7.27% for Pension and Gratuity – 15 year G-Sec Paper	6.87% for Pension – 15 year G-Sec Paper 6.44% for Gratuity – 10 year G-Sec Paper
Salary escalation rate	6.00% (includes 0.50% for wage revision)	6.00% (includes 0.50% for wage revision)
Attrition rate	1.00% for Pension and 2.00% for Service Employees	1.00% for Pension and 2.00% for Service Employees
Expected rate of return on Plan Assets *	7.62% for Pension and 7.67% for Gratuity	6.89% for Pension and 6.86% for Gratuity
Method used	Projected Unit Credit (PUC) actuarial Method	Projected Unit Credit (PUC) actuarial Method

* Expected Rate of return on Plan Assets not applicable for Leave encashment.

The estimates of future salary increases are considered taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market and in tandem with Funding Guidelines for Superannuation Schemes communicated by IBA. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible.

The liabilities of leave encashment are unfunded.

(Amount in ₹ crore)

II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES:	Pension Fund		Gratuity		Leave Encashment	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
PVO as at t PVO as at the beginning of the year he beginning of the year	15319.48	13995.78	1848.22	1868.46	977.42	826.09
Interest Cost	1047.85	914.67	110.19	120.53	59.12	53.97
Current service cost	250.19	229.80	69.21	105.33	175.72	174.38
Past service cost – recognised / vested benefits	0.00	0.00	0.00	0.00	0.00	0.00
Past service cost – unrecognised / non-vested benefits	0.00	0.00	0.00	0.00	0.00	0.00
Benefits paid	-1812.10	-1363.65	-274.20	-223.04	-284.86	-69.40
Actuarial loss/ (gain) on obligation	1741.31	1542.88	30.26	-23.06	77.35	-7.62
PVO as at the end of the year	**16546.73**	**15319.48**	**1783.68**	**1848.22**	**1004.75**	**977.42**

(Amount in ₹ crore)

III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:	Pension Fund		Gratuity		Leave Encashment	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Fair value of plan assets as at the beginning of the year	14961.61	13918.80	1897.26	1929.03	0.00	0.00
Expected return on plan assets	1132.00	1104.42	136.42	126.42	0.00	0.00
Contributions	1599.55	1495.93	36.86	50.70	284.86	215.94
Benefits paid	-1812.10	-1363.65	-274.20	-223.04	-284.86	-215.94
Actuarial gain/(loss) on plan assets	12.57	-193.89	6.41	14.15	0.00	0.00
Fair value of plan assets as at the end of the year	**15893.63**	**14961.61**	**1802.75**	**1897.26**	**0.00**	**0.00**

(Amount in ₹ crore)

IV. ACTUAL RETURN ON PLAN ASSETS	Pension Fund		Gratuity		Leave Encashment	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Expected return on plan assets	1132.00	1104.42	136.42	126.42	0.00	0.00
Actuarial gain / (loss) on plan assets	12.57	-193.89	6.41	14.15	0.00	0.00
Actual return on plan assets	**1144.57**	**910.53**	**142.83**	**140.57**	**0.00**	**0.00**

(Amount in ₹ crore)

V. ACTUARIAL GAIN / LOSS RECOGNISED	Pension Fund		Gratuity		Leave Encashment	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Actuarial gain / (loss) for the year - Obligation	-1741.31	-1542.88	-30.26	23.06	-77.35	7.62
Actuarial gain / (loss) for the year – due to financial assumption changes in	0.00	0.00	0.00	0.00	0.00	0.00

DBO						
Actuarial gain / (loss) for the year- Plan Assets	12.57	-193.89	6.41	14.15	0.00	0.00
Total gain / (loss) for the year	-1728.74	-1736.77	-23.85	37.21	-77.35	7.62
Actuarial gain / (loss) recognised in the year	-1728.74	-1736.77	-23.85	37.21	-77.35	7.62
Unrecognised actuarial gain / (loss) at the end of the year	0.00	0.00	0.00	0.00	0.00	0.00
Actuarial gain / (loss) for the year - Obligation	**-1728.74**	**-1736.77**	**-23.85**	**37.21**	**-77.35**	**7.62**

(Amount in ₹ crore)

VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSIS	**Pension Fund**		**Gratuity**		**Leave Encashment**	
	2021-22	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Present value of the obligation	16546.73	15319.48	1783.68	1848.22	1004.75	977.42
Fair value of plan assets	15893.63	14961.61	1802.75	1897.26	0	0
Difference - Net (Liability) / Asset recognized in Balance Sheet	-653.10*	-357.87	19.07	49.04	1004.75	977.42
Unrecognised transitional liability	0.00	0.00	0.00	0.00	0.00	0.00
Unrecognised past service cost	0.00	0.00	0.00	0.00	0.00	0.00
Liability recognised in the balance sheet	**-653.10***	**-357.87**	**19.07**	**49.04**	**1004.75**	**977.42**

*Provision on account of change in family pension rules is included

(Amount in ₹ crore)

VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:	**Pension Fund**		**Gratuity**		**Leave Encashment**	
	2021-22	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Current service cost	250.19	229.79	69.21	105.33	175.72	174.38
Interest Cost	1047.85	914.67	110.19	120.53	59.12	53.97
Expected return on plan assets	-1132.00	-1104.42	-136.42	-126.42	0	0
Net actuarial (gain)/loss recognised in the year	1728.74	1736.77	23.85	-37.21	77.35	-7.62
Transitional Liability recognised in the year	0.00	0.00	0.00	0.00	0.00	0.00
Past service cost - recognised	0.00	0.00	0.00	0.00	0.00	0.00
Expenses recognised in the statement of profit and loss	**1894.78**	**1776.82**	**66.83**	**62.23**	**312.19**	**220.73**

(Amount in ₹ crore)

VIII. MOVEMENTS IN THE LIABILITY RECOGNISED IN THE BALANCE SHEET	**Pension Fund**		**Gratuity**		**Leave Encashment**	
	2021-22	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Opening net liability	-357.87	-76.98	49.04	60.57	-977.42	-826.09
Expense as above	-1894.78	-1776.82	-66.83	-62.23	-312.19	-220.73
Contribution paid	1599.55	1495.93	36.86	50.70	284.86	69.40
Closing net liability	**-653.10**	**-357.87**	**19.07**	**49.04**	**-1004.75**	**-977.42**

(Amount in ₹ crore)

IX. EXPERIENCE ADJUSTMENTS ON PLAN ASSETS/LIABILITIES (ii) Previous Years 2017-22 - Pension	Year ended					
	31.03.2017	31.03.2018	31.03.2019	31.03.2020	31.03.2021	31.03.2022
Present Value of obligation	5925.15	6245.89	6520.32	6801.96	15319.48	16546.73
Plan Assets	5841.36	6146.80	6418.93	6697.41	14961.61	15893.63
Surplus/ (Deficit)	-83.79	-99.09	-101.39	-104.55	-357.87	-653.10
Experience adjustments on plan liabilities- (loss) / gain	-626.82	-704.39	-335.65	-449.25	-1542.88	-1741.31
Experience adjustments on plan assets- (loss) / gain	**27.73**	**10.93**	**-8.58**	**13.32**	**-193.89**	**12.57**

(Amount in ₹ crore)

IX. EXPERIENCE ADJUSTMENTS ON PLAN ASSETS/LIABILITIES (iii) Previous Years 2017-22 - Gratuity	Year ended					
	31.03.2017	31.03.2018	31.03.2019	31.03.2020	31.03.2021	31.03.2022
Present Value of obligation	900.90	964.99	923.85	928.98	1848.22	1783.68
Plan Assets	876.81	932.55	910.66	896.40	1897.26	1802.75
Surplus/ (Deficit)	-24.09	-32.44	-13.19	-32.58	49.04	19.07
Experience adjustments on plan liabilities- (loss) / gain	-87.34	-36.20	-2.11	-61.22	23.06	107.08
Experience adjustments on plan assets- (loss) / gain	**-1.36**	**22.12**	**-0.38**	**2.71**	**14.15**	**6.41**

(Amount in ₹ crore)

IX. EXPERIENCE ADJUSTMENTS ON PLAN ASSETS/LIABILITIES (iii) Previous Years 2017-22- Leave Encashment	Year ended					
	31.03.2017	31.03.2018	31.03.2019	31.03.2020	31.03.2021	31.03.2022
Present Value of obligation	171.21	179.51	188.21	210.29	977.42	1004.75
Plan Assets	0.00	0.00	0.00	0.00	0.00	0.00
Surplus/ (Deficit)	-171.21	-179.51	-188.21	-210.29	-977.42	-1004.75
Experience adjustments on plan liabilities- (loss) / gain	-3.01	10.18	7.58	17.71	7.62	-77.35
Experience adjustments on plan assets- (loss) / gain	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

X. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)	2021-22		2020-21	
	Pension Fund	Gratuity Fund	Pension Fund	Gratuity Fund
Government of India Securities and State Government Securities	32.38%	23.42%	36.76%	28.00%
High Quality Corporate Bonds /PSU BONDS	13.42%	12.21%	15.64%	12.98%
Special Deposit Scheme	0.06%	0.04%	0.06%	0.00%
Funds managed by Insurer	53.98%	64.11%	47.21%	58.60%
Private Sector Bonds	0.16%	0.22%	0.33%	0.42%
Money Market			-	-
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

(Amount in ₹ crore))

XI. CONTRIBUTION DURING NEXT YEAR	Pension Fund	Gratuity Fund	Earned Leave
Enterprises best estimate of contribution during next year	1300	50	300

9.1.3. Other Long Term Employee Benefits

Amount of ₹ 48.43 crore (previous year Rs. 50.12 crore) has been provided towards Long Term Employee Benefits as per the actuarial valuation by the independent Actuary appointed by the Bank and is included under the head "Payments to and Provisions for Employees" in Profit and Loss Account.

Details of additional Provisions made / (written back) for various long Term Employee Benefits during the year (Amount in ₹ crore)

No.	Long Term Employee Benefits	31/03/2022	31/03/2021
1.	Sick Leave	1.84	15.28
2.	Casual Leave	0.09	0.16
3.	Leave Travel Concession	46.50	34.68
Total		**48.43**	**50.12**

No.	Long Term Employee Benefits	Opening balance 01.04.2021	Expenditure 2021-22	Addition 2021-22	Closing balance 31.03.2022
1	Sick Leave	22.66	3.04	4.87	24.49
2	Casual Leave	0.87	0.38	0.48	0.97
3	Leave Travel Concession	69.92	32.75	46.50	83.67
	Total	**93.45**	**36.17**	**51.85**	**109.13**

Note: Disclosures included are limited to the extent of information provided by the Actuary.

9.2 SUBSIDIARY COMPANIES

9.2.1. INDBANK MERCHANT BANKING SERVICES LTD

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under: (Amount in ₹)

Details	2021-22	2020-21	2019-20
Employer's contribution to Provident Fund	4763140	4503279	3956245

Defined Benefit Plan

I) Reconciliation of opening and closing balances of Defined benefit obligation

(Amount in ₹)

Details	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2021-22	2020-21	2021-22	2020-21
Defined benefit obligation at the beginning of the year	15294514	14477169	9559705	9175621
Current service cost	1336060	1245412	453039	418454
Interest cost	1014041	915972	632013	588067
Actuarial (gain)/ loss	1476701	(104445)	2433748	(64441)
Benefits paid	(895281)	(1239594)	(612432)	(557996)
Settlement cost	-	-	-	-
Defined benefit obligation at the year end	18226005	15294514	12466073	9559705

II) Reconciliation of opening and closing balances of fair value of plan assets

(Amount in ₹)

Details	Gratuity (Funded)	
	2021-22	2020-21
Fair value of plan assets at the beginning of the year	15598048	11607030
Expected return on plan assets	(1139501)	867210
Contributions	3066712	4264874
Actuarial (gain)/ loss	(23,223)	98528
Benefits paid	(895281)	(1239594)
Settlement cost	-	-
Fair value of plan assets at year end	16606755	15598048
Actual return on plan assets	1499924	(202973)

III) Reconciliation of fair value of assets and obligations

Amount in ₹)

Details	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2021-22	2020-21	2021-22	2020-21
Fair value of plan assets	18226005	15294514	-	-
Present value of obligation	16606755	15598048	12466073	9559705
Amount recognized in Balance Sheet	(1619250)	303534	(12466073)	(9559705)

IV) Expense recognized during the year

(Amount in ₹)

Details	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2021-22	2020-21	2021-22	2020-21
Current Service Cost	1336030	1245412	453039	418454
Interest Cost	1014041	915972	632013	588067
Expected return on plan assets	1139501	867210	-	-
Actuarial (gain) / loss	1499924	(202973)	2433748	(64441)
Net Cost	2710494	1091201	12466073	9559705

V) Actuarial assumptions

Details	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2021-22	2020-21	2021-22	2020-21
Mortality Table (LIC)	2012-14 (Ultimate)	2012-14 (Ultimate)	2012-14 (Ultimate)	2012-14 (Ultimate)
Discount rate (per annum)	6.99%	6.83%	6.99%	6.83%
Expected rate of return (per annum)	6.99%	6.61%	-	-
Rate of escalation of salary(per annum)	5.00%	5.00%	5.00%	5.00%
Attrition Rate	7.00%	7.00%	7.00%	7.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The expected rate of return is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the company's policy for plan assets management. The retirement benefit liability in respect of staff on deputation from Indian Bank is borne by Indian Bank.

The company has contributed Rs.29.54 Lakhs (previous year- Rs.23.53 lakhs) towards Gratuity liability in the year 2021-22

9.2.2. INDBANK HOUSING LTD

Company's obligation towards Gratuity Fund and details of actuarial valuation:

1	Total past service gratuity	NIL
2	Actuarial value past service gratuity	NIL
3	Gratuity Fund with LIC	NIL
4	Contribution payable to LIC	NIL
5	Contribution paid during the year	NIL
6	Balance payable	NIL
7	Risk premium and service tax paid	NIL
8	Assumptions Discounting rate Projections of salary increase	NA

10. SEGMENT REPORTING (CONSOLIDATED) (AS 17)

10.1. Segment Identification

I. Primary (Business Segment)

The following are the primary segments of the Bank:-

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Other Banking Business.

The present accounting and information system of the Bank does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the primary segments have been computed as under:

i. Treasury -

The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.

ii. Corporate / Wholesale Banking –

The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices.

iii. Retail Banking –

The Retail Banking Segment comprises of retail business, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs.

iv. Other Banking business —

Segments not classified under (i) to (iii) above are classified under this primary segment.

II. Secondary (Geographical Segment)

i. Domestic Operations - Branches/Offices having operations in India

ii. Foreign Operations - Branches/Offices having operations outside India and offshore Banking units having operations in India

III. Allocation of Expenses, Assets and Liabilities

Expenses directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of segment assets in each segment/ratio of directly attributable expenses. The Bank has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

इंडियन बैंक Indian Bank
इलाहाबाद ALLAHABAD

10.2. Consolidated Segment Information

Part-A Primary (Business Segments)

(Amount in ₹ crore)

Business Segments	Treasury		Corporate/Wholesale Banking		Retail Banking		Other Banking operations		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue	13 767.26	13 573.27	16 082.40	17 708.42	15 415.12	13 021.62	1 003.37	916.17	46 268.15	45 219.48
Result	6 355.67	5 775.50	3 079.29	2 843.03	2 938.78	2 084.26	411.62	288.61	12 785.36	10 991.40
Unallocated expenses									9 522.49	8 066.06
Operating profit									3 262.87	2 925.34
Minority interest									2.38	1.43
Other unallocable income									150.30	134.86
Tax									(731.02)	(90.38)
Exceptional item									0.00	0.00
Net Profit									4 141.81	3 149.15
Other information										
Segment Assets	2 40 001.83	2 09 281.25	2 15 377.81	2 33 418.56	2 06 008.16	171 257.10	2 382.36	2 071.68	6 63 770.16	6 16 028.59
Unallocated assets									10 326.27	9 506.58
Total assets									6 74 096.43	6 25 535.17
Segment Liabilities	2 24 383.64	1 96 386.55	2 01 362.03	2 19 036.66	1 92 602.11	160 705.23	1 185.25	1 059.97	6 19 533.03	5 77 188.41
Unallocated liabilities									9 611.47	8 888.69
Capital reserves & Surplus									44 951.93	39 458.07
Total liabilities									6 74 096.43	6 25 535.17

Part B Geographic Segments						
	Domestic		International		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue	45 960.46	44 892.23	307.69	327.25	46 268.15	45 219.48
Assets	6 52 421.69	6 11 117.34	21 674.74	14 417.83	6 74 096.43	6 25 535.17

Previous year figures were re-grouped wherever necessary.

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11. RELATED PARTY DISCLOSURES (AS 18)

11.1. PARENT

Key Managerial Personnel:

Name	Designation	Date of Appointment	Date of cessation
Ms. Padmaja Chunduru	Ex. Managing Director & Chief Executive Officer	21.09.2018	01.09.2021
Shri Shanti Lal Jain	Managing Director & Chief Executive Officer	01.09.2021	
Shri Shenoy Vishwanath V	Executive Director	01.12.2018	31.03.2022
Shri . K Ramachandran	Ex. Executive Director	01.04.2020	01.07.2021
Shri Imran Amin Siddiqui	Executive Director	10.03.2021	
Shri Ashwani Kumar	Executive Director	21.10.2021	

Shareholding of Non-Executive Directors:

Sl. No.	Name	Designation	No. of Shares held
1	Dr. Bharath Krishna Sankar	Shareholder Director	300
2	Ms. Papia Sengupta	Shareholder Director	200

Related Party Transaction are as under:

Remuneration paid to key Management personnel during the Year ₹172.37 lakhs (Previous- Year ₹102.52 lakhs)

Details	2021-2022	2020-2021
Ms. Padmaja Chunduru, Ex. MD & CEO Salary & Emoluments Paid (01.04.2021 to 31.08.2021)	₹ 40.30 lakhs	₹ 30.46 lakhs
Shri Shanti Lal Jain MD& CEO Salary & Emoluments Paid (01.09.2021 to 31.03.2022)	₹ 20.27 lakhs	--
Shri M K Bhattacharaya, Ex. Executive Director Salary & Emoluments Paid (01.04.2020 to 30.11.2020)	--	₹ 18.16 lakhs
Shri Shenoy Vishwanath V., Executive Director Salary & Emoluments Paid (01.04.2021 to 31.03.2022)	₹ 32.76 lakhs	₹ 26.22 lakhs
Shri K. Ramachandran, Executive Director Salary & Emoluments Paid (01.04.2021 to 30.06.2021)	₹ 30.19 lakhs	₹ 26.21 lakhs
Shri Imran Amin Siddiqui, Executive Director Salary & Emoluments Paid (01.04.2021 to 31.03.2022)	₹ 30.00 lakhs	₹1.47 lakhs
Shri Ashwani Kumar, Executive Director Salary & Emoluments Paid (01.10.2021 to 31.03.2022)	₹ 18.85 lakhs*	--

*Including House Rent Allowance of Rs. 5.11 lakh.

Other disclosures pertaining to related parties are as under

Items/Related Party	Parent (as per ownership or control)	Joint ventures	Total
Rendering of services	1528.82*	26.16	1528.82*
Receiving of services	26.16	1528.82*	26.16

*Includes commission income of Rs.1384.52 lakhs from Bank's JV, Universal Sompo General Insurance Co.Ltd

No disclosure is required in respect of related parties, which are "State-controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

11.2. **SUBSIDIARY COMPANIES:**

11.2.1. INDBANK MERCHANT BANKING SERVICES LTD

Key Managerial Personnel:

Managerial Remuneration: **(Amt in Lakhs)**

Name	Designation		2021-22	2020-21
Mr SeshaSai P L V K	President & Whole Time Director (Upto 27.06.2020)	Salary	-	3.96
		Contribution to PF	-	0.20
Mr. V Haribabu	President & Whole Time/CFO Director (From 28.02.2022/03.09.2021)	Salary	12.74	-
		Contribution to PF	0.73	-
Mr. A Rajaraman	President & Whole Time Director (Upto 30.11.2021)	Salary	13.70	10.60
		Contribution to PF	0.86	0.73
Mr. U Rajkumar	Vice President & CFO (Upto 02.09.2021)	Salary	4.65	10.40
		Contribution to PF	0.35	0.79
Mrs. Chitra M A	Company Secretary & Compliance Officer (From 29.01.2022)	Salary	2.20	-
		Contribution to PF	0.24	-
Mr. V Balamurugan	Company Secretary & Compliance Officer (Upto 28.01.2022)	Salary	6.88	6.62
		Contribution to PF	0.72	0.81
Sitting Fees paid to Non Whole Time Independent Directors			4.68	2.74

President and Whole Time Director of the Company is on deputation from Indian Bank and the remuneration is in accordance with the service rules of the said Bank and also in terms of appointment as 'Whole Time Director' by the shareholders of the Company.

Vice President and CFO of the Company is on deputation from Indian Bank and the remuneration is in accordance with the service rules of the said Bank.

Company Secretary & Compliance Officer has been recruited directly by the company and the remuneration is in accordance with the terms of offer of employment given by the company.

11.2.2. IND BANK HOUSING LTD.

Managing Director of the Company is on deputation from Indian Bank and is drawing remuneration from Ind Bank Merchant Banking Services Ltd. as President of that Company. Hence no remuneration is paid by this Company.

Other related parties are State controlled Enterprises and hence no disclosures are required as per paragraph 9 of AS 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of banker-customer relationship are not required to be disclosed.

12. LEASE (AS 19)

12.1. PARENT

a) The properties taken on lease / rental basis are renewable / cancellable at the option of the Bank.

b) The leases entered into by the Bank are for agreed period with an option to terminate the leases even during the currency of lease period by giving agreed calendar month notice in writing.

c) Lease rent paid for operating leases are recognized as an expense in the Profit & Loss account in the year to which it relates. The lease rent recognized during the year is Rs.417.00 Crore. (Previous year Rs.440.41 Cr).

d) Finance Lease

An asset acquired on finance lease comprises plant and equipment and land. The leases have a primary period, which is fixed and non-cancellable. The Bank has an option to renew the lease for a secondary period.

The minimum lease rentals and the present value of minimum lease payments in respect of assets acquired under finance lease are as follows:

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Payable not later than 1 Year	0	0	0	0
Payable later than 1 year and not later than 5years	0	0	0	0
Payable later than 5 Years	0	0	0	0
Total	0	0	0	0
Less: Future finance charges				
Present value of minimum lease payments	0	0	0	0

12.2. SUBSIDIARY COMPANIES

12.2.1. INDBANK MERCHANT BANKING SERVICES LTD

In case of assets taken on lease

The company has operating leases for office premises at various locations with the Parent. The future minimum payments required under non-cancellable operating leases at year-end are as follows:

(Amount ₹ in lakhs)

Details	As on 31.03.2022	As on 31.03.2021
Lease payments for the year	21.71	24.59
Minimum Lease payments: Not later than one year	0.00	0.00
Later than one year but not later than five years	0.00	0.00
Later than five years	0.00	0.00

13. EARNINGS PER SHARE (AS 20)

Particulars	2021-22	2020-21
Net Profit after tax available for equity shareholders (₹crore	4141.81	3149.15
Number of Equity Shares	1245441139	1129366570
Weighted Number of equity shares	1218410075	1129366570
Basic Earning Per Share (in ₹)	33.99	27.88
Diluted Earning Per Share (in ₹)	33.99	27.88
Nominal value per Equity Share (in ₹)	10.00	10.00

14. CONSOLIDATED FINANCIAL STATEMENT (AS 21)

The consolidated financial statements are prepared in accordance with the Accounting Standard (AS 21), "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI) and the guidelines issued by the Reserve Bank of India on preparation of Consolidated Financial Statements.

The consolidated financial statements are based on the audited financial statements of Indian Bank (parent) and audited financial statements of its subsidiaries, viz., (1) Indbank Housing Ltd. and (2) Indbank Merchant Banking Services Ltd.

Consolidated figures as on 31.03.2022 includes ₹74.95 crores being group share of the audited profit of two Associates viz, M/s Puduvai Bharathiar Grama Bank and M/s Sapthagiri Grameena Bank ₹75.36 Crore being group share of unaudited profit of M/s Tamilnadu Grama Bank and ₹43.80 Crores being the group share in unaudited profit of two joint ventures viz. 1) Universal Sompo General Insurance Company Ltd. and 2) ASREC (India) Ltd

15. ACCOUNTING FOR TAXES ON INCOME (AS 22)

15.1. PARENT

15.1.1. Current Tax-

Current Tax: During the current year, considering the accumulated losses of erstwhile Allahabad Bank, Bank has not created provision for income tax for domestic operations for the current year. Provision for income tax made in foreign branches amounting to Rs. 12.85 Crore during the current year. Provision for tax on foreign branches relating to earlier years made in the current year amounts to Rs. 275 Crores. The current tax for has been calculated in accordance with the provisions of Income Tax Act 1961.

15.1.2. Deferred Tax

The Bank has a net DTA of Rs.3872.91 Crore (Previous year net DTA of Rs. 2844.49 Crore), which comprises of Deferred Tax Liabilities (DTL) of Rs. 977.15 Crore (Previous Year Rs. 949.89 Crore) included under 'Other liabilities and Provisions' and Deferred Tax Assets (DTA) of Rs.4850.06 Crore (Previous Year Rs.3794.38 Crore) included under 'Other Assets.

The major components of Deferred Tax Assets (DTA) / Deferred Tax Liabilities (DTL) are:

(Amount of Rs. In Crore)

Sl. No.	Particulars	31.03.2022	31.03.2021
	Deferred Tax Assets		
1	Liabilities provision allowable on payment/ crystallization	219.35	208.53
2	FCTR (Foreign Currency Transalation Reserve)	99.08	105.29
3	Provision for Gratuity	0.06	0.09
4	Provision for Bad Debts	3856.25	3076.11
5	Provision for restructured Assets, AQR,s4A, stressed Assets	588.06	328.67
6	Depreciation on Fixed Assets	87.26	75.69
	Total DTA	4850.06	3794.38
	Deferred Tax Liabilities		
1	Depreciation on Fixed Assets	44.40	44.41
2	Provision for written off accounts	363.15	363.15
3	Staff Welfare Retrieval	4.11	4.11
4	Special Reserve u/s 36(1)(viii)	565.49	538.22
	Total DTL	977.15	949.89
	Net DTA/(DTL)	3872.91	2844.49

15.2. SUBSIDIARY COMPANIES:

15.2.1. INDBANK MERCHANT BANKING SERVICES LTD

The major components of deferred tax asset/liability are as below:

(Amount in ₹)

	Deferred Tax			
	As on 31.03.2022		As on 31.03.2021	
	Asset	Liability	Asset	Liability
i) Timing difference in depreciable assets		9355398		14848304
ii) Provision for Bad debts and NPAs	36142094		44029302	
iii) Others	3661463		2444273	
Total	**39803557**	**9355398**	**46473575**	**14848304**
NET DTA / (DTL)		**30448159**		**31625271**

16. DISCLOSURE REQUIREMENTS UNDER AS 24–DISCONTINUED OPERATIONS

16.1. SUBSIDIARY COMPANIES:

16.1.1. INDBANK MERCHANT BANKING SERVICES LTD

Information reported to the Chief Operating Decision Maker (CODM - Board of Directors) for the purposes of resource allocation and assessment of segment performance focuses on the Company as a whole. Hence, the management has concluded that the Company has only one segment.

The Company had discontinued fund-based activities consequent to SEBI regulations coming into force with effect from December 1997 and had decided to undertake only fee-based activities. The existing fund based exposures as on December 1997 are continued to run down to their contracted period. The Company had obtained cancellation of registration as NBFC from RBI consequent to repayment of fixed deposits and transfer of unclaimed fixed deposits to IEPF.

17. SUBSIDIARY COMPANIES:

17.1. INDBANK MERCHANT BANKING SERVICES LTD

Indian Bank, the parent Bank, had approved a moratorium period of 3 years from September 2013 to September 2016 for repayment of the amount of Rs. 897.48 lakhs payable to them under the Right of Recompense clause with repayment of Rs. 75 lakhs per half year to commence from the half year ending 31.03.2017 without any interest charge for the period of moratorium/repayment. Accordingly the company has repaid Rs.750 lakhs to Indian Bank upto the half year ended 31.03.2022 as per the terms approved by the parent bank

18. BANCASSURANCE BUSINESS

PARENT

During the current year, the Bank has earned commission, etc, to the extent of Rs.85.01 Crore on sale/marketing of various Bancassurance products / Mutual Funds (previous year Rs.63.98 Crore).

(Amount ₹ in Crore)

SI No.	Nature of Income	2021-22	2020-21
1	For Selling Life Insurance Policies	56.22	38.44
2	For selling Non-life insurance policies	26.42	24.56
3	Others – For selling Mutual Fund Products	2.37	0.98
	Total	**85.01**	**63.98**

19. ADDITIONAL DISCLOSURES

PARENT

I) Inter- Bank/Company balances between group entities are being reconciled on an ongoing basis.

II) No material effect is expected on the profit and loss account of the current year of such reconciliation.

III) In accordance with current RBI guidelines, the general clarification issued by ICAI has been considered in the preparation of the consolidated financial statements.

IV) Accordingly, additional statutory information disclosed in separate financial statements of the parent and its subsidiaries having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements in view of the Accounting Standard Interpretation issued by ICAI.

इंडियन बैंक Indian Bank
इलाहाबाद ALLAHABAD

Additional Disclosure

Parent

V As per information available with the Bank, there is no outstanding dues payable by the Bank to MSME units identified by the Bank, which is pending beyond the time limit prescribed under MSMED Act, 2006 and there have been no reported cases of accepted liability of delayed payments of principal amount or interest thereon for such parties during the year

20. Previous year's figures have been regrouped / reclassified, wherever necessary, to conform to current year's figures.

S L Jain
Managing Director & CEO

Ashwani Kumar
Executive Director

Imran Amin Siddiqui
Executive Director

DIRECTORS

Sanjeev Kaushik
Government Nominee Director

Aditya Gaiha
RBI Nominee Director

Bharath Krishna Sankar
Shareholder Director

Papia Sengupta
Shareholder Director

Balmukund Sahay
Part time Non Official Director

Vishvesh Kumar Goel
Part time Non Official Director

Place : Chennai
Date : 11.05.2022

General Manager -ACCOUNTS

STATUTORY CENTRAL AUDITORS

For M/s. SRIRAMAMURTHY & CO
Chartered Accountants
FR No. 003032S
Partner M. PRATYUSHA
(M. No. 254141)
UDIN:

For M/s. RAVI RAJAN & CO LLP
Chartered Accountants
FR No. 009073N / N500320
Partner SUMIT KUMAR
(M No. 512555)
UDIN:

For M/s. P K F Sridhar & Santhanam
Chartered Accountants
FR No. 003990S/S200018
Partner P DEVI
(M. No. 223137)
UDIN:

For M/s. G Natesan & Co
Chartered Accountants
FR No. 002424S
Partner VARALAKSHMI MURALI
(M. No. 028863)
UDIN:

For M/s. S A R C & ASSOCIATES
Chartered Accountants
FR No. 006085N
Partner CHETAN THAKKAR
(M. No. 114196)
UDIN:

Independent Auditors' Report on Consolidated Financial Results for Quarter and Year ended 31st March, 2022 of Indian Bank pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors
Indian Bank
Chennai

Opinion

1. We have audited the accompanying Statement of Consolidated Financial Results of Indian Bank ("the Parent"/ "Bank") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, for the quarter ended and year ended 31st March, 2022 ("the Statement"), attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") except for the disclosures relating to consolidated Pillar 3 disclosure as at 31st March, 2022, including leverage ratio, net stable funding ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the financial report and have not been audited by us.

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate audited financial statements of two subsidiaries, two associates and the Management certified financial statements of one associate and two jointly controlled entities, the aforesaid financial Results:

   i. include the financial results of the following entities:

Name of the Entity	Relationship
Indian Bank	Parent
Indbank Merchant Banking Services Ltd	Subsidiary
Ind Bank Housing Ltd	Subsidiary
Tamilnadu Grama Bank	Associate
Saptagiri Grameena Bank	Associate
Puduvai Bharathiar Grama Bank	Associates
ASREC (India) Ltd	Joint Venture
Universal Sompo General Insurance Company Ltd	Joint Venture

   ii. are presented in accordance with the requirements of Regulation 33 & 52 of the Listing Regulations except for the disclosures relating to consolidated Pillar 3 disclosure as at 31st March, 2022, including leverage ratio, net stable funding ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the consolidated Financial Results and have not been audited by us; and

   iii. give a true and fair view, in conformity with the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India, of the consolidated net profit and other financial information of the Group for the quarter and year ended 31st March, 2022.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Results' section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter:

4. We draw attention to:
   a) Note No 8 of the Statement on the impact of ongoing uncertainties caused by COVID 19 pandemic on the future business and financial results and Management's assessment of the same in the prevailing situation. The Management is continuously evaluating the effect of the uncertainties on an ongoing basis with reference to challenges under the prevailing uncertainties.

   Our report is not modified in respect of above matters.

Board of Directors' Responsibility for the Consolidated Financial Results:

5. These Consolidated Financial Results have been compiled from the related audited Annual Consolidated Financial Statements. The Bank's Board of Directors are responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance and other financial information of the Group including its associates and jointly controlled entities in accordance with the recognition and measurement principles laid down in Accounting Standards issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines"), judicial pronouncements and other accounting principles generally accepted in India and in compliance with Regulation 33 & 52 of the Listing Regulations. The respective Board of Directors of the entities included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Banking Regulations Act, 1949 for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud and error.

6. In preparing the consolidated financial Statement, the respective Board of Directors of the entities included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled

SRIRAMAMURTHY & CO. Chartered Accountants 03032S

Ravi Rajan & Co. LLP New Delhi Chartered Accountants

RKF SRIDHAR & SANTHANAM LLP Firm Regn. No.: 003990S/S200018 CHENNAI

NATESAN & CO. CHENNAI 600 018 ACCOUNTANTS

SARATH & ASSOCIATES CHARTERED ACCOUNTANTS entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

7. The respective Board of Directors of the entities included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditors' Responsibilities for the Audit of the Consolidated Financial Results

8. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   i. 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.

   ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

   iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

   iv. Conclude on the appropriateness of the Board of Directors' 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 Associates and Jointly controlled entities 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 Bank to cease to continue as a going concern.

   v. 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.

   vi. Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial

SRIRAMAMURTHY & CO. 003032S Chartered Accountants

Ravi Rajan & Co. LLP New Delhi Chartered Accountants

SRIDHAR & SANTHANAM LLP Firm Regn. No.: 003990S/S200018

CHENNAI 600 018 CHARTERED ACCOUNTANTS

SARC & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

information of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our opinion.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

9. We communicate with those charged with governance regarding, amongst 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.

10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

11. The consolidated financial results include the audited financial results/statements and other financial information in respect of

    a) Two (02) subsidiaries, whose financial results/statement reflect Group's share of total assets of Rs. 62.44 crores as at 31st March, 2022, Group's share of total revenue of Rs. 4.77 Crores and Rs. 17.95 Crores and Group's share of total net profit after tax of Rs. 2.98 crores and Rs. 6.64 crores for the quarter and year ended 31st March 2022 respectively, as considered in the consolidated Financial Results.

    b) Two (02) associates whose financial results/statement reflect Group's share of Net Profit after Tax of Rs 13.92 crores and Rs. 74.95 crores for the quarter and year ended 31st March 2022 respectively as considered in the consolidated Financial Results.

    Their respective independent Auditors have audited the same and these independent auditors' reports on financial statements/results of these entities have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are stated in paragraph above.

12. The consolidated financial results include the unaudited financial results/statements and other financial information in respect of:
    a) Two (02) jointly controlled entities whose financial results/statements reflect Group's share of total assets of Rs. 1570.24 crores as at 31st March, 2022, Group's share of total revenue of Rs. 146.33 Crores and Rs. 478.76 Crores and Group's share of total net profit after tax of Rs. 13.49 crores and Rs. 43.80 crores for the quarter and year ended 31st March 2022 respectively, as considered in the consolidated Financial Results.

b) One (01) Associate, whose financial results/statement reflect group's share of net profit after tax of Rs 13.44 crores and Rs 75.36 crores for the quarter and year ended 31st March 2022 respectively as considered in the consolidated Financial Results.

These financial statements are unaudited and have 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 jointly controlled entities and associate, and our report in so far as it relates to the aforesaid jointly controlled entities and associate, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial results/financial information certified by the Management.

13. The figure for the quarter ended 31st March, 2022 represent the balancing figures between the audited figures in respect of the financial year ended 31st March, 2022 and the published unaudited year to-date figures up to 31st December, 2021 which were subjected to limited review by us, as required under Listing Regulations.

    Our opinion is not modified in respect of above matter.

14. The Consolidated Financial results of the Bank for the previous year ended 31st March, 2021 were audited by the joint auditors, four of them are predecessor audit firms and had expressed unmodified opinion on such financial results. Further, the unaudited consolidated financial results of the Bank as per Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, for the quarter ended on 30th June, 2021 were reviewed by the joint auditors, four of them are predecessor audit firms and had expressed their unmodified conclusions on those results.

For SRIRAMAMURTHY & Co
Chartered Accountants
FR No. 003032S

Partner M. PRATYUSHA
(M. No. 254141)
UDIN:

For RAVI RAJAN & CO LLP
Chartered Accountants
FR No. 009073N / N500320

Partner SUMIT KUMAR
(M. No. 512555)
UDIN:

For P K F SRIDHAR & SANTHANAM LLP
Chartered Accountants
FR No. 003990S /S200018

Partner P DEVI
(M No. 223137)
UDIN:

For G NATESAN & CO
Chartered Accountants
FR No. 002424S

Partner VARALAKSHMI MURALI
(M. No. 028863)
UDIN:

For SARC & ASSOCIATES
Chartered Accountants
FR No. 006085N

Partner CHETAN THAKKAR
(M. No. 114196)
UDIN:

Place of Signature: Chennai
Date of Report: 11th May, 2022

Indian Bank

BALANCE SHEET AS ON 31st MARCH 2021

(Rs. in thousands)

Particulars	Sch. No.	As on 31.03.2021 (Audited)	As on 31.03.2020 (Audited)
CAPITAL & LIABILITIES			
Capital	1	1129 36 66	608 80 06
Reserves and Surplus	2	37282 57 83	21480 46 80
Deposits	3	538071 11 49	260225 89 70
Borrowings	4	26174 59 82	20830 30 96
Other Liabilities & Provisions	5	23347 36 19	6322 69 92
TOTAL		**626005 01 99**	**309468 17 44**
ASSETS			
Cash & Balances with R B I	6	27545 08 17	5736 12 43
Balances with Banks and Money at Call and Short Notice	7	26514 79 55	8188 55 97
Investments	8	176536 96 62	81241 68 80
Advances	9	364010 24 06	197887 01 15
Fixed Assets	10	7376 31 14	3895 74 42
Other Assets	11	24021 62 45	12519 04 67
TOTAL		**626005 01 99**	**309468 17 44**
Contingent Liabilities	12	293533 46 10	42576 86 28
Bills for Collection	-	12620 72 77	5994 96 94
Significant Accounting policies	17		
Notes on Accounts	18		

Schedules mentioned above form an integral part of the Balance Sheet

* Figures of 31.03.2020 are related to standalone Indian Bank financials of pre-amalgamation period; hence not comparable with post amalgamation financials as at 31st March, 2021.

Place : Chennai
Date : 28.05.2021

General Manager - CFO

Padmaja Chunduru
Managing Director & CEO

Imran Amin Siddiqui
Executive Director

K Ramachandran
Executive Director

Shenoy Vishwanath V
Executive Director

DIRECTORS

Sanjeev Kaushik
Government Nominee Director

S K Panigrahy
RBI Nominee Director

Bharath Krishna Sankar
Shareholder Director

STATUTORY CENTRAL AUDITORS

For M/s. K C MEHTA AND CO
Chartered Accountants
FR No. 106237W

Partner CHIRAG BAKSHI
(M. No. 047164)
UDIN: 21047164AAAAEM9291

For M/s. SRIRAMAMURTHY & CO
Chartered Accountants
FR No. 003032S

Partner DONDETI TEJA SAGAR
(M. No. 227878)
UDIN:
21227878AAAADO6339

For M/s. RAVI RAJAN & CO LLP
Chartered Accountants
FR No. 009073N / N500320

Partner JAYANTH A
(M No. 231649)
UDIN: 21231649AAAACP5550

For M/s. P K F Sridhar & Santhanam LLP
Chartered Accountants
FR No. 003990S/S200018

Partner V.KOTHANDARAMAN
(M. No. 25973)
UDIN: 21025973AAAAAZ4107

For M/s. G Natesan & Co
Chartered Accountants
FR No. 002424S

Partner K MURALI
(M. No. 024842)
UDIN: 21024842AAAABJ5112

Indian Bank
ALLAHABAD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2021

(Rs. in thousands)

Particulars	Sch.No.	YE 31.03.2021 (Audited)	YE 31.03.2020 (Audited)
I. INCOME			
Interest earned	13	39105 78 65	21404 96 92
Other Income	14	6079 25 38	3312 46 43
TOTAL		**45185 04 03**	**24717 43 35**
II. EXPENDITURE			
Interest expended	15	23439 83 90	13798 55 31
Operating expenses	16	10349 55 28	4420 83 92
Provisions & Contingencies	-	8390 97 08	5744 68 30
TOTAL		**42180 36 26**	**23964 07 53**
III.PROFIT/LOSS			
Net Profit/Loss(-) for the Quarter/Nine Months		3004 67 77	753 35 82
Profit/Loss(-) Brought forward		99 16 27	99 15 45
Less: Set off against Share Premium /other adjustments		-101 67 04	-
TOTAL		**3002 17 00**	**852 51 27**
IV. APPROPRIATIONS			
Transfer to :			
Statutory Reserves		751 17 00	188 34 00
Capital Reserves		47 71 00	152 15 00
Revenue Reserves		1387 34 39	-
Staff Welfare Fund		25 00 00	15 00 00
Investment Fluctuation Reserve		464 91 00	389 99 00
Investment Reserve		-	7 87 00
Equity Dividend		225 87 33	-
Bal. carried over to Balance Sheet		100 16 28	991627
TOTAL		**3002 17 00**	**852 51 27**
Earnings Per Share in Rs. (basic & diluted)		26.61	14.33

* Figures of 31.03.2020 are related to standalone Indian Bank financials of pre-amalgamation period; hence not comparable with post amalgamation financials for the year ended 31st March, 2021.

Place : Chennai
Date : 28.05.2021

General Manager - CFO

Imran Amin Siddiqui
Executive Director

Padmaja Chunduru
Managing Director & CEO

K Ramachandran
Executive Director

Shenoy Vishwanath V
Executive Director

DIRECTORS

Sanjeev Kaushik
Government Nominee Director

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RBI Nominee Director

Bharath Krishna Sankar
Shareholder Director

STATUTORY CENTRAL AUDITORS

For M/s. K C MEHTA AND CO
Chartered Accountants
FR No. 106237W

Partner CHIRAG BAKSHI
(M. No. 047164)
UDIN: 21047164AAAAEM9291

For M/s. SRIRAMAMURTHY & CO
Chartered Accountants
FR No. 003032S

Partner DONDETI TEJA SAGAR
(M. No. 227878)
UDIN:
21227878AAAADO6339

For M/s. RAVI RAJAN & CO LLP
Chartered Accountants
FR No. 009073N / N500320

Partner JAYANTH A
(M No. 231549)
UDIN: 21231549AAAACP5550

For M/s. P K F Sridhar & Santhanam LLP
FR No. 003990S/S200018

Partner V.KOTHANDARAMAN
(M.)No. 25973)
UDIN: 21025973AAAAAZ4107

For M/s. G Natesan & Co
FR No. 002424S

Partner K MURALI
(M. No. 024842)
UDIN: 21024842AAAABJ5112

Particulars	As on 31.03.2021 (Audited)	As on 31.03.2020 (Audited)
		(Rs. in thousands)
SCHEDULE 1 - CAPITAL		
I. Authorised Capital		
300,00,00,000 Equity Shares of Rs.10/- each	3000 00 00	3000 00 00
II. Issued, Subscribed and Paid up:		
Equity Shares:		
a) 99,45,49,600 Equity shares of Rs.10/- each held by Government of India (P.Y.-50,80,80,023 Equity shares of Rs. 10/- each)	994 54 96	508 08 00
b) 13,48,16,970 Equity shares of Rs.10/- each held by Public (P.Y. 10,07,20,557 Equity shares of Rs.10/- each)	134 81 70	100 72 06
TOTAL	1129 36 66	608 80 06
SCHEDULE 2 - RESERVES AND SURPLUS		
I. STATUTORY RESERVES		
a) Opening Balance	4694 19 81	4505 85 81
b) Additions during the year (*)	3955 55 70	188 34 00
TOTAL I	**8649 75 51**	**4694 19 81**
II. CAPITAL RESERVES		
A Revaluation Reserve		
a) Opening Balance	2987 84 42	3095 03 91
b) Additions during the year (*)	2909 98 72	0
c) Deductions during the year	142 86 51	107 19 49
TOTAL (A)	**5754 96 63**	**2987 84 42**
B Others		
a) Opening Balance	388 55 24	236 40 24
b) Additions during the year (*)	524 45 50	152 15 00
TOTAL (B)	**913 00 74**	**388 55 24**
TOTAL II (A + B)	**6667 97 37**	**3376 39 66**
III. SHARE PREMIUM		
Opening Balance	4026 65 23	1325 67 33
Additions during the year (*)	15806 49 62	2700 97 90
Deductions during the year	18975 52 95	0
TOTAL III	**857 61 90**	**4026 65 23**
IV. REVENUE AND OTHER RESERVES		
A) Revenue Reserve		
Opening Balance	7448 29 29	8265 03 80
Additions during the year (*)	5533 16 14	0
Trfd from Revaluation Reserve	142 86 51	107 19 49
Deductions during the year	0	923 94 00
TOTAL (A)	**13124 31 94**	**7448 29 29**
B) Special Reserve U/S 36(1)(viii) of IT Act		
Opening Balance	725 52 00	725 52 00
Additions during the year (*)	1450 00 00	0
TOTAL (B)	**2175 52 00**	**725 52 00**
C) Special Reserve U/S 36(1)(viii a) of IT Act		
Opening Balance	58 20 00	58 20 00
Additions during the year	0	0
TOTAL (C)	**58 20 00**	**58 20 00**

Ravi Rajan & Co. LLP New Delhi Chartered Accountants

G. Natesan & Co. Chartered Accountants

		(Rs. in thousands)
Particulars	As on 31.03.2021 (Audited)	As on 31.03.2020 (Audited)
D) Investment Fluctuation Reserve		
Opening Balance	566 99 00	177 00 00
Additions during the year	464 91 00	389 99 00
TOTAL (D)	**1031 90 00**	**566 99 00**
E) Investment Reserve		
Opening Balance	47 79 22	39 92 22
Additions during the year (*)	138 58 55	7 87 00
TOTAL (E)	**186 37 77**	**47 79 22**
F) Foreign Currency Translation Reserve		
Opening Balance	437 26 31	380 59 24
Additions during the year		56 67 07
Deductions during the year	15 33 43	0
TOTAL (F)	**421 92 88**	**437 26 31**
G) IRS Reserve		
Opening Balance	0	0
Additions during the year (*)	1 90 63	0
Deductions during the year	0	0
TOTAL (G)	**1 90 63**	**0**
TOTAL IV (A + B + C + D+ E + F + G)	**17000 15 22**	**9284 05 82**
V. AMALGAMATION RESERVE		
Opening Balance		
Additions during the year	4006 91 55	0
TOTAL V	**4006 91 55**	**0**
VI. PROFIT & LOSS ACCOUNT		
Opening Balance	99 16 27	99 15 45
Additions during the year (*)	102 67 05	82
Deductions during the year	19077 19 99	0
Adjustments from Share Premium	18975 52 95	0
TOTAL VI	**100 16 28**	**99 16 27**
TOTAL (I+II+III+IV+V+VI)	**37282 57 83**	**21480 46 80**
(*) Additions/deductions include e-AB reserves.		

SCHEDULE 3 - DEPOSITS

A. I. DEMAND DEPOSITS		
i) From Banks	289 29 18	211 10 71
ii) From Others	32055 27 51	13337 91 83
TOTAL	**32344 56 69**	**13549 02 54**
II. SAVINGS BANK DEPOSITS	**195250 29 37**	**76609 10 59**
III. TERM DEPOSITS		
i) From Banks	5323 09 87	4111 94 38
ii) From Others	305153 15 56	165955 82 19
TOTAL	**310476 25 43**	**170067 76 57**
TOTAL (I+II+III)	**538071 11 49**	**260225 89 70**
B. i) Deposits of branches in India	529264 23 30	252792 25 88
ii) Deposits of branches outside India	8806 88 19	7433 63 82
TOTAL	**538071 11 49**	**260225 89 70**

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New Delhi
Chartered Accountants

		(Rs. in thousands)
Particulars	As on 31.03.2021 (Audited)	As on 31.03.2020 (Audited)
SCHEDULE 4 - BORROWINGS		
I. BORROWINGS IN INDIA		
i) Reserve Bank of India	5032 04 04	11529 90 30
ii) Other Banks	13 72	10 88
iii) Other Institutions and Agencies *	14935 73 74	6418 86 00
TOTAL	19967 91 50	17948 87 18
II. BORROWINGS OUTSIDE INDIA **	6206 68 32	2881 43 78
TOTAL (I+II)	**26174 59 82**	**20830 30 96**
Secured Borrowings included above	5032 04 04	11529 90 30

* includes AT-1 Capital -Perpetual Debt Instrument of Rs. 2000 00 00 (P.Y. Rs. 500 00 00) and Tier II Capital - Subordinated debt of Rs. 7600 00 00 (P.Y. Rs. 2600 00 00).

** includes pipeline and un-adjusted items in Nostro Mirror Balances

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	2822 90 69	494 00 20
II. Inter Office Adjustments(Net)	6228 15 32	-
III. Interest Accrued	1041 86 06	845 32 77
IV. Others(Including Provisions) *	13254 44 12	4983 36 95
TOTAL	**23347 36 19**	**6322 69 92**

* includes Contingent Provisions against Standard Assets of Rs. 282 68 255 (P.Y - Rs. 961 08 29)

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	1658 27 76	1006 08 85
II. Balances with Reserve Bank of India in Current Account	25886 80 41	4730 03 58
TOTAL (I+II)	**27545 08 17**	**5736 12 43**

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Particulars	As on 31.03.2021 (Audited)	As on 31.03.2020 (Audited)
		(Rs. in thousands)
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. IN INDIA		
i) Balances with Banks		
a) in Current Account	95 08 44	5 35 06
b) in Other Deposit Accounts	2046 43 44	713 36 57
TOTAL (i)	**2141 51 88**	**718 71 63**
ii) Money at Call and Short Notice (with Banks)	8900 00 01	2100 00 01
TOTAL (ii)	**8900 00 01**	**2100 00 01**
TOTAL (i + ii)	11041 51 89	**2818 71 64**
II. OUTSIDE INDIA		
i) in Current Accounts	1577 67 70	530 92 57
ii) in other Deposit Accounts	13866 22 54	4830 26 44
iii) Money at Call and Short Notice	29 37 42	8 65 32
TOTAL (i + ii + iii)	**15473 27 66**	**5369 84 33**
GRAND TOTAL (I +II)	**26514 79 55**	**8188 55 97**
SCHEDULE 8 - INVESTMENTS		
I. INVESTMENTS IN INDIA		
Gross Investments	179570 44 81	81665 09 41
Less: Provsion for Depreciation &NPI	3437 58 50	1282 86 31
Less: Provision on Security Receipts	1922 31 20	1311 53 07
Net Investments	**174210 55 11**	**79070 70 03**
i) Government Securities	157550 39 28	67537 87 44
ii) Other approved Securities	5 22 76	2 98 83
iii) Shares	986 58 19	351 87 70
iv) Debentures and bonds	13359 15 13	6715 54 67
v) Subsidiaries and/or joint ventures (including Associates)	216 16 81	101 15 25
vi) Others	2093 02 94	4361 26 14
TOTAL	**174210 55 11**	**79070 70 03**
II. INVESTMENT OUTSIDE INDIA		
Gross Investments	**2420 89 82**	**2268 26 80**
Less: Provsion for Depreciation &NPI	94 48 31	97 28 03
Net Investments	**2326 41 51**	**2170 98 77**
i) Government Securities (including local authorities)	2304 10 19	2149 36 57
ii) Other Investments		
a) Shares	59 71	43 53
b) Debt Securities	21 71 61	21 18 67
TOTAL	**2326 41 51**	**2170 98 77**
NET GRAND TOTAL (I+II)	**176536 96 62**	**81241 68 80**

Ravi Rajan & Co. LLP
New Delhi
Chartered Accountants

		(Rs. in thousands)
Particulars	As on 31.03.2021 (Audited)	As on 31.03.2020 (Audited)
SCHEDULE 9 -ADVANCES		
i) Bills purchased and discounted	2131 68 93	1453 59 19
ii) Cash Credit, Overdrafts and loans repayable on demand	221263 43 24	99136 74 77
iii) Term Loans	140615 11 89	97296 67 19
TOTAL	**364010 24 06**	**197887 01 15**
i) Secured by tangible assets (includes advance against book debts)	320789 57 49	161337 53 81
ii) Covered by bank/Government guarantee	22887 65 72	4056 48 84
iii) Unsecured	20333 00 85	32492 98 50
TOTAL	**364010 24 06**	**197887 01 15**
I. ADVANCES IN INDIA		
i) Priority Sector	157623 42 54	90415 78 93
ii) Public Sector	64398 77 88	17991 68 34
iii) Banks	169 24 06	772 90 59
iv) Others	131534 30 98	80515 67 81
TOTAL	**353725 75 46**	**189696 05 67**
II. ADVANCES OUTSIDE INDIA		
i) Dues from Banks	4475 58 45	2254 59 78
ii) Dues from others		
a) Bills Purchased and discounted	771 50 63	970 27 17
b) Syndicated loans	3526 55 17	3355 58 88
c) Others	1510 84 35	1610 49 65
TOTAL	**10284 48 60**	**8190 95 48**
GRAND TOTAL (I+II)	**364010 24 06**	**197887 01 15**
RIDF and PSLC had not been deducted or added from Priority Sector		

Ravi Rajan & Co. LLP
New Delhi
Chartered Accountants

Particulars	As on 31.03.2021 (Audited)	As on 31.03.2020 (Audited)
		(Rs. in thousands)
SCHEDULE 10 - FIXED ASSETS		
I. PREMISES (incl. Revalued Premises)		
At cost/revaluation as per the last Balance Sheet (*)	6853 35 76	3762 94 58
Additions/Adjustments during the year	3 99 76	3 63 15
Sub-Total	6857 35 52	3766 57 73
Deductions during the year	0	0
Sub-Total	6857 35 52	3766 57 73
Depreciation to date (*)	1243 94 40	832 07 90
TOTAL	**5613 41 12**	**2934 49 83**
II. LEASED ASSETS		
At cost/revaluation as per the last Balance Sheet (*)	530 52 79	244 97 37
Additions/Adjustments during the year	0	0
Sub-Total	530 52 79	244 97 37
Deductions during the year	0	0
Sub-Total	530 52 79	244 97 37
Depreciation to date (*)	42 92 70	4 52 05
TOTAL	**487 60 09**	**240 45 32**
III. BUILDINGS UNDER CONSTRUCTION	**1 06 54**	**78 25**
IV. OTHER FIXED ASSETS (including Furniture and Fixtures)		
At cost as per last Balance Sheet (*)	4121 12 83	2056 01 96
Additions/Adjustments during the year	554 37 72	255 42 34
Sub-Total	4675 50 55	2311 44 30
Deductions during the year	47 34 82	51 56 44
Sub-Total	4628 15 73	2259 87 86
Depreciation to date (*)	3353 92 34	1539 86 84
TOTAL	**1274 23 39**	**720 01 02**
TOTAL (I+II+III+IV)	**7376 31 14**	**3895 74 42**

(*) Opening Balance of Cost/revaluation and depreciation to date include Assets taken over as part of amalgamation.

Particulars	As on 31.03.2021 (Audited)	As on 31.03.2020 (Audited)
SCHEDULE 11 - OTHER ASSETS		
I. Inter Office Adjustment (net)	0	2044 20 71
II. Interest Accrued	2766 81 86	1283 47 23
III. Tax paid in advance/tax deducted at source (net)	6625 26 70	4356 23 89
IV. Stationery and Stamps	46 37 53	17 56 30
V. Non-banking assets acquired in satisfaction of claims	51 38 26	20 26 11
VI. Others *	14531 78 10	4797 22 43
TOTAL	**24021 62 45**	**12519 04 67**
* Includes RIDF/SIDBI/RHDF/NHB Deposits held under HTM Category	1304 51 23	284 72 93

Ravi Rajan & Co. LLP
New Delhi
Chartered Accountants

(Rs. in thousands)		
Particulars	As on 31.03.2021 (Audited)	As on 31.03.2020 (Audited)
SCHEDULE 12 - CONTINGENT LIABILITIES		
I. Claims against the bank not acknowledged as debts*	953 36 91	651 26 63
II. Liability for partly paid investments	373 81 66	400 32 98
III. Liability on account of outstanding forward exchange contracts	254856 84 39	20382 57 13
IV.Guarantee given on behalf of constituents*		
a) In India	17792 78 38	8930 01 79
b) Outside India	379 99 49	382 63 47
V. Acceptance, Endorsements and other obligations*	9394 28 29	6401 33 66
VI.Other items for which the bank is contingently liable	9782 36 98	5428 70 62
TOTAL	293533 46 10	42576 86 28

* Contingent Liability has been considered net of margin

(Rs. in thousands)

Particulars	YE 31.03.2021 (Audited)	YE 31.03.2020 (Audited)
SCHEDULE 13 - INTEREST EARNED		
I. Interest/Discount on Advances/Bills	27454 63 11	15933 04 15
II. Income on Investments	11166 89 38	5278 82 36
III.Interest on balances with Reserve Bank of India and other Inter Bank funds	425 45 97	177 42 66
IV. Others	58 80 19	15 67 75
TOTAL	**39105 78 65**	**21404 96 92**
SCHEDULE 14 - OTHER INCOME		
I. Commission, Exchange and Brokerage	753 08 93	338 66 77
II. Profit on Sale of Investments	2259 91 38	934 93 94
Less: Loss on Sale of Investments	135 67 19	55 20 58
Net	2124 24 19	879 73 36
III. Profit on revaluation of Investments		
Less: Loss on revaluation of Investments		
Net		
IV. Profit on sale of land, buildings and other assets *	2 83 09	3 13 61
Less: Loss on Sale of Land, Bldgs. & Other assets *	3 22 28	2 40 22
Net	- 39 19	73 39
V. Profit on exchange transactions (Net)	405 92 51	202 05 96
VI. Income earned by way of dividends, etc., from Subsidiaries/Companies and/or Joint ventures abroad/in India	12 45 06	12 69 28
VII. Miscellaneous Income	2783 93 88	1878 57 67
TOTAL	**6079 25 38**	**3312 46 43**
* Amount relates to Safe, Furniture, Vehicle & Machinery		
SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on deposits	22220 79 49	12996 10 31
II. Interest on Reserve Bank of India/Inter Bank borrowings	1048 64 54	757 94 57
III.Others	170 39 87	44 50 43
TOTAL	**23439 83 90**	**13798 55 31**

Ravi Rajan & Co. LLP New Delhi Chartered Accountants

(Rs. in thousands)

Particulars	YE 31.03.2021 (Audited)	YE 31.03.2020 (Audited)
SCHEDULE 16 - OPERATING EXPENSES		
I. Payments to and provisions for employees	6378 23 81	2472 96 30
II. Rent, Taxes and Lighting	602 83 47	317 91 89
III. Printing and Stationery	57 65 50	30 54 18
IV. Advertisement and Publicity	11 66 17	8 83 46
V. Depreciation on Bank's property	632 87 20	313 63 06
VI. Directors' fees allowance and expenses	39 60	89 93
VII.Auditors' fees and expenses(including branch auditors)	63 01 86	34 18 00
VIII.Law Charges	20 19 41	8 58 34
IX. Postage, Telegrams and Telephones	117 18 86	51 66 96
X. Repairs and Maintenance	197 09 98	93 72 73
XI. Insurance	682 46 34	286 90 24
XII. Other Expenditure	1585 93 08	800 98 83
TOTAL	**10349 55 28**	**4420 83 92**

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SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

1 ACCOUNTING CONVENTION

The financial statements are prepared by following the going concern concept on historical cost convention unless otherwise stated. They conform to generally accepted accounting principles in India, which comprises statutory provisions, regulatory / Reserve Bank of India guidelines, accounting standards / guidance notes issued by the Institute of Chartered Accountants of India and the practices prevalent in the Banking Industry in India. In respect of foreign branches as per statutory provisions and practices prevailing in the respective countries.

2 USE OF ESTIMATES

The preparation of financial statements requires the management to make estimates and assumptions for considering the reported assets and liabilities (including contingent liabilities) as on the date of financial statements and the income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

3 TRANSACTIONS INVOLVING FOREIGN EXCHANGE

Foreign Currency transactions of Indian operations and non-integral foreign operations are accounted for as per Accounting Standard-11 (AS-11) issued by the Institute of Chartered Accountants of India (ICAI).

3.1 Translation in respect of Indian operations

- Foreign exchange transactions are recorded at the Weekly Average Rate (WAR) notified by Foreign Exchange Dealers' Association of India (FEDAI).
- Foreign currency assets and liabilities are translated at the closing rates notified by FEDAI at the year end.
- Acceptances, endorsements and other obligations and guarantees in foreign currency are carried at the closing rates notified by FEDAI at the year end.
- Exchange differences arising on settlement and translation of foreign currency assets and liabilities at the end of the financial year are recognized as income or expenses in the period in which they arise.
- Outstanding forward exchange contracts are disclosed at the Contracted rates, and revalued at FEDAI closing rates, and the resultant effect is recognized in the Profit and Loss account.

3.2 Translation in respect of non-integral foreign operations.

Foreign branches are classified as non-integral foreign operations and the financial statements are translated as follows:

1

- Assets and liabilities including contingent liabilities are translated at the closing rates notified by FEDAI at the year end.
- Income and expenses are translated at the Quarterly Average Closing rate notified by FEDAI at the end of the respective quarter.
- All resulting exchange differences are accumulated in a separate account "Foreign Currency Translation Reserve" (FCTR) till the disposal of the net investments.

4. INVESTMENTS

4.1 The entire investment portfolio of the Bank is classified in accordance with the RBI guidelines into three categories viz.

- Held To Maturity (HTM)
- Available For Sale (AFS)
- Held For Trading (HFT)

The securities acquired with the intention to be held till maturity are classified under **"HTM"** category. The securities acquired with the intention to trade by taking advantage of short–term price / interest movements are classified as **"HFT"**. All other securities which do not fall under any of the two categories are classified under **"AFS"** category.

An investment is classified as Held to Maturity, Available for Sale or Held for Trading at the time of its purchase/acquisition and subsequent shifting is done in conformity with the Regulatory guidelines. Transfer of scrips, if any, from one category to another is done at the lowest of acquisition cost/book value/market value on the date of transfer and depreciation, if any, on such transfer is fully provided for.

Investment in Subsidiaries, Joint Ventures and Associates are classified as Held to Maturity.

4.2 Profit on sale of securities under HTM category is first taken to Profit and Loss account and thereafter appropriated to Capital Reserve account (net of taxes and amount required to be transferred to statutory reserves) and loss, if any, charged to Profit & Loss account.

4.3 Investments in India are valued in accordance with RBI guidelines, as under:

a) Securities in **HTM** category are valued at acquisition cost except where the acquisition cost is higher than the face value, in which case, such excess of acquisition cost over the face value is amortised over the remaining period of maturity. Any diminution, other than temporary, in value of investments in subsidiaries/joint ventures/Associates which are included under HTM category is recognized and provided. Such diminution is being determined and provided for each investment individually. Investment in units of Venture Capital funds (VCF) / Alternate Investment Fund (AIF) made after 23.08.2006 are classified under HTM category for initial period of 3 years and valued at cost.

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b) Investment in Subsidiaries, Joint Ventures and Associates are valued at historical cost. Investment in sponsored Regional Rural Banks (RRB) are valued at carrying cost (i.e. Book value).

c) Investments in **AFS** category are marked to market, scrip-wise and classification wise, at quarterly intervals. Net depreciation, if any, is provided for in the Profit and Loss account while net appreciation, if any, is ignored. The book value of the individual securities does not undergo any change after marking to market.

d) The individual scrips in the **HFT** category are marked to market at daily intervals. Net depreciation, if any, is provided for in the Profit and Loss account while net appreciation, if any, is ignored. The Book Value of the individual securities in this category does not undergo any change.

e) Securities in **AFS and HFT** categories are valued as under:

i. Central Government Securities and State Govt. Securities are valued at prices / YTM rates as announced by Primary Dealers Association of India (PDAI) jointly with Fixed Income Money Market and Derivatives Association of India (FIMMDA) / Financial Benchmark India Private Ltd (FBIL).

ii. Other approved securities are valued applying the YTM method by marking up 25 basis points above the yields of the Central Government Securities of equivalent maturity put out by PDAI / FIMMDA/ FBIL periodically.

iii. Equity shares are valued at market price, if quoted. Unquoted equity shares are valued at break-up value (without considering revaluation reserves if any) as per the company's latest balance sheet (not more than one year prior to the date of valuation). Otherwise, the shares are valued at Re. 1 per company.

iv. Preference shares are valued at market price, if quoted; otherwise at lower of the value determined based on the appropriate YTM rates or redemption value.

v. All debentures/bonds, other than those which are in the nature of advances, are valued on the YTM basis.

vi. Treasury bills, Certificate of deposits and Commercial papers are valued at carrying cost.

vii. Units of Mutual Funds are valued at market price, if quoted; otherwise at lower of repurchase price or Net Asset Value (NAV). In case of funds with a lock-in period, where repurchase price / market quote is not available, units are valued at NAV, else valued at cost till the end of the lock-in period.

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viii. Investment in units of Venture Capital funds (VCF) / Alternate Investment Fund (AIF) made after 23.08.2006 are classified under HTM category for initial period of 3 years and valued at cost. After period of 3 years from the date of disbursement, it will be shifted to AFS and marked-to-market as per RBI guidelines.

ix. In respect of investment at Overseas branches, RBI guidelines or those of the host countries whichever are more stringent are followed. In case of those branches situated in countries where no guidelines are specified, the guidelines of RBI are followed.

4.4 Non-performing investment (NPI) are identified as stated below, as per guidelines issued by RBI.

- Securities/Non-cumulative Preference shares where interest/fixed dividend/instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.

- If any credit facility availed by the issuer from the Bank is a Non-performing advance in the books of the bank, investment in any of the securities including preference shares issued by the same issuer is also treated as NPI and vice versa. However, if only the preference shares are classified as NPI, the investments in any of the other performing securities issued by the same issuer may not be classified as NPI and any performing credit facilities granted to that borrower need not be treated as NPA.

- Investments backed by guarantee of the Central Government though overdue are treated as Non-Performing Asset (NPA) only when the Government repudiates its guarantee when invoked.

- Investment in State Government guaranteed securities, including those in the nature of 'deemed advances', are subjected to asset classification and provisioning as per prudential norms if interest/ installment of principal (including maturity proceeds) or any other amount due to the Bank remains unpaid for more than 90 days.

- Equity investment classified as NPI should be valued at market value, if quoted, and in case where equity is not quoted, it should be valued at Re.1

4.5 Brokerages / Commission / incentive received on subscriptions are deducted from the cost of securities. Brokerage / Commission / Stamp duty paid in connection with acquisition of securities are treated as revenue expenses.

4.6 Interest Rate Swap transactions for trading is marked to market at quarterly intervals. The fair value of the total swaps is computed on the basis of the amount that would be received/ receivable or paid/ payable on termination of

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the swap agreements as on the balance sheet date. Losses arising there from, if any, are fully provided for, while the profit, if any, is ignored.

4.7 Exchange traded FX Derivatives i.e. Currency Futures, are valued at the Exchange determined prices and the resultant gains and losses are recognized in the Profit and Loss account.

4.8 Premium/interest arising at the inception of forward exchange swap facility of RBI for FCNR (B) dollar deposits is amortized as expense over the period of the swap contract.

4.9 Cost of investments is determined based on the Weighted Average Cost method in each category. Investments classified under HTM are carried at acquisition cost as arrived under Weighted Average Cost method and in case the weighted average cost is more than the face value, the premium is amortised over the remaining period of maturity.

- **Accounting for Repo/Reverse Repo transactions:**

All types of repo/reverse repo transactions with RBI including LAF, variable rate term operations, Long term Repo operations (LTRO), MSF and also Market Repo transactions are accounted as per RBI guidelines.

The securities sold and purchased under Repo/Reverse Repo are accounted as Triparty Repo wherein securities are transferred as in the case of normal outright sale/purchase transactions and such movement of securities is reflected using the Repo/Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as Interest expenditure / income, as the case may be. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified under Schedule 7 (Balance with Banks and Money at Call & Short Notice).

5. FINANCIAL ASSETS SOLD TO RECONSTRUCTION COMPANIES (RC)

5.1 Security Receipts (SR) issued by SCs/RCs in respect of financial assets sold to them is recognized at lower of redemption value of SRs and Net Book Value of financial assets. SRs are valued at:

(a) SRs issued by SCs/RCs prior to 01.04.2017 at Net Asset Value declared by SCs/RCs on the Balance Sheet date and depreciation, if any, is provided for and appreciation is ignored.

(b) As per amended guidelines issued by RBI with effect from April,01,2017, provisioning requirement on SRs will be higher of

(i) provisioning rate in terms of Net Asset Value declared by the SCs/RCs

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(ii) provisioning rate as applicable to the underlying loans, assuming that the loans notionally continued in the books of the bank

5.2 In case of financial assets sold to RC, the valuation and, income recognition is being done as per RBI Guidelines. If the sale is for value lower than the Net Book Value (NBV) (i.e, book value less provisions held), the shortfall is debited to the Profit and Loss account or met out of utilisation of Floating provision held, as per extant RBI guidelines

If the cash received (by way of initial consideration and /or redemption of security receipts) is higher than the Net Book value of the Non-Performing Asset (NPA) sold to RC, then excess provision is reversed to the profit and Loss account. The quantum of excess provision reversed to profit and loss account is limited to the extent to which cash received exceeds the NBV of the NPA sold.

6 ADVANCES

6.1 In accordance with the prudential norms issued by RBI, advances in India are classified into Standard, Sub-Standard, Doubtful and Loss assets borrower-wise.

6.2 Provisions are made for non-performing advances as under:

a) Sub Standard:
   i) A general provision of 15% on the total outstanding
   ii) Additional provision of 10% for exposure which are unsecured ab-initio (ie., where realizable value of securities is not more than 10% ab-initio)

b) Doubtful category-1
   i) 25 % for Secured portion.
   ii) 100% for Unsecured portion.

c) Doubtful Category – 2
   i) 40 % for Secured portion.
   ii) 100% for Unsecured portion.

d) Doubtful category-3 and Loss advances – 100 %.

- Provision is made for standard advances including Restructured / Rescheduled standard advances as per RBI directives.

- In respect of foreign branches, income recognition, asset classification and provisioning for loan losses are made as per local requirement or as per RBI prudential norms, whichever is more stringent.
  Further, if an asset in the overseas books of the Bank requires to be classified as NPA at any point of time in terms of regulations issued by Reserve Bank of India, then all the facilities granted by the bank to the borrower and

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investment in all the securities issued by the borrower will be classified as NPAs/NPIs.

However, accounts classified as Non-performing/Impaired assets (NPAs) by host regulators for reasons other than record of recovery, would be classified as NPAs at the time of consolidating financial statements in India and provided for, as required; whereas asset classification of other credit exposures to the same counterparties in other jurisdictions (including India) will continue to be governed by the extant guidelines in the respective jurisdictions.

- Advances disclosed are net of provisions made for non-performing assets, DICGC/ ECGC/ CGTMSE claims received and held pending adjustment, repayments received and kept in sundries account, participation certificates, usance bills rediscounted and provision in lieu of diminution in the fair value of restructured accounts classified as standard assets.

7. FIXED ASSETS / DEPRECIATION

7.1 Fixed assets are carried at cost / revalued amount less accumulated depreciation / amortization

7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalized only when it increases the future economic benefits from such assets on their functioning capacity.

7.3 Depreciation on buildings (including cost of land wherever inseparable / not segregated) and other fixed assets in India will be provided for on the straight-line method at the rates / useful life, as specified below:

S No.	Description of fixed assets	Depreciation Rate/ Useful Life
1	Computers	33.33% every year
2	Computer Software forming an integral part of the Computer hardware	33.33% every year
3	Computer Software which does not form an integral part of Computer hardware and cost of Software Development	33.33% every year
4	Automated Teller Machine/ Cash Deposit Machine / Coin Vending Machine	20.00% every year
5	Servers	33.00% every year
6	Network equipment	20.00% every year

7	Other fixed assets	Estimated useful life of major group of assets are as under: Premises : 60 years Safes / Locker / Doors (Steel): 20 years Vehicles : 5 years Furniture and Fixtures : 10 years Cell phones : 1 year

7.4 In respect of assets sold / acquired during the year, depreciation will be charged on proportionate basis for the number of days the assets have been put to use / from the Date of capitalization during the year.

7.5 Assets costing upto 5000/- will be fully depreciated in the year of purchase.

7.6 The revalued asset will be depreciated over the balance useful life of the asset as assessed at the time of revaluation.

The increase in Net Book Value of the asset due to revaluation will be credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Depreciation relatable to revalued component will be charged against revenue expenditure and an equivalent amount will be charged straight away against revaluation reserve and credited to the revenue reserve, as per revised AS 10 issued by ICAI.

7.7 In respect of Assets where subsidy is received from Government, the same will be credited to the respective asset account and depreciation will be charged accordingly.

7.8 Premium on leasehold land will be capitalized in the year of acquisition and amortized over the period of lease.

7.9 Depreciation in respect of fixed assets at foreign branches will be provided as per the practice prevailing in the respective countries.

7.10 In respect of Non-Banking Assets, no depreciation will be charged.

8. REVENUE RECOGNITION

8.1 Income and expenditure are generally accounted for on accrual basis, unless otherwise stated.

8.2 Income from non-performing assets, Central Government guaranteed assets (where it is overdue beyond 90 days), dividend income, insurance claims, commission on letters of credit / guarantees issued (other than those relating to project finance), income from wealth management, additional interest / overdue charges on bills purchased, finance charges on credit cards, income on Bank's right to recompense, AMC charges on debit cards are accounted for on realisation basis and locker rent received, income from Bancassurance products are accounted on accrual basis.

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8.3 In case of overdue foreign bills, interest and other charges are recognised till the date of crystallisation as per FEDAI guidelines.

9. CREDIT CARD REWARD POINTS

Reward points earned by card members on use of Card facility is recognized as expenditure on such use.

10. NET PROFIT / LOSS

The result disclosed in the Profit and Loss Account is after considering:

- Provision for Non-Performing Advances and / or Investments.
- General provision on Standard Advances
- Provision for Restructured Advances
- Provision for Depreciation on Fixed Assets
- Provision for Depreciation on Investments
- Transfer to/ from Contingency Fund
- Provision for direct taxes
- Provision for Unhedged Foreign Currency Exposure
- Usual or/and other necessary provisions

11. STAFF RETIREMENT BENEFITS

i) PROVIDENT FUND

Provident fund is a statutory obligation and in the case of Contributory Provident Fund Optees, the Bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to Profit and Loss Account. The fund is managed by Indian Bank Staff Provident Fund Trust.

ii) GRATUITY

Gratuity liability is a statutory obligation as per Indian Bank Employees' Gratuity Fund Rules and Regulations and is provided for on the basis of an actuarial valuation made at the end of the financial year. The gratuity liability is funded by the Bank and is managed by Indian Bank Employees Gratuity Fund Trust.

iii) PENSION

- Pension liability is a defined benefit obligation under Indian Bank (Employees) Pension Regulations 1995 and is provided for on the basis of actuarial valuation, for the employees who have joined Bank up to 31.03.2010 and opted for pension.

- New Pension Scheme (NPS) which is applicable to employees who joined bank on or after 01.04.2010 and it is a defined contribution scheme. Under NPS the Bank pays fixed contribution at pre-determined rate and the

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obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit and Loss Account.

iv) COMPENSATED ABSENCES

Accumulating compensated absences such as Privilege Leave and Sick Leave are provided for based on actuarial valuation.

v) OTHER EMPLOYEE BENEFITS

Other Employee benefits such as Leave Fare Concession and Additional Retirement Benefit on Retirement are provided for based on actuarial valuation. In respect of overseas branches and offices, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

12. ACCOUNTING FOR LEASES

Lease payments including cost escalation for assets taken on operating lease are recognized in the Profit and Loss Account over the lease term or life whichever is lower.

13. CONTINGENT LIABILITIES AND PROVISIONS

13.1 Contingent liability: Past events leading to, possible or present obligations are recognized as contingent liability in the following instances where:

(a) The existence of such obligations has not been confirmed
(b) no outflow of resources are required to settle such obligations
(c) a reliable estimate of the amount of the obligations cannot be made
(d) such amounts are not material

13.2 (a) Provision is recognized in case of present obligations where a reliable estimate can be made and/or where there are probable outflow of resources embodying foregoing of economic benefits to settle the obligations, excluding frivolous claims.

(b) Provision for Market Risk, Country Risk, etc., are made in terms of extant instructions of RBI.

(c) Floating provision as identified by the Bank Management is provided for.

Floating provision may be utilized as per extant RBI guidelines, for -
(i) Making specific provisions for non-performing assets;
(ii) Meeting any shortfall in sale of non-performing assets.

14. IMPAIRMENT OF ASSETS

Impairment losses, if any, on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss Account in accordance with the Accounting Standard 28 "Impairment of Assets". However, an impairment loss on a

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revalued asset is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

15. TAXES ON INCOME

15.1 Provision for tax is made for both Current Tax and Deferred Tax.

15.2 Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates, tax laws and favourable judicial pronouncements / legal opinion.

15.3 Deferred Tax Assets and Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and tax laws that have been enacted or substantively enacted till the date of the Balance Sheet. Deferred Tax Assets are not recognized unless there is "virtual certainty" that sufficient future taxable income will be available against which such deferred tax assets will be realized.

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इंडियन बैंक Indian Bank
इलाहाबाद ALLAHABAD

Schedule 18 - Notes on Accounts

1. CAPITAL

(Amount of ₹ in Crore)

Particulars	31.03.2021	31.03.2020
i) Common Equity Tier 1 capital ratio (%)	11.27	11.78
ii) Tier I Capital ratio(%)	11.93	12.08
iii) Tier II Capital ratio(%)	3.78	2.04
iv) Total Capital ratio (CRAR) (%)	15.71	14.12
v) Percentage of the Shareholding of the Government of India in public sector banks	88.06	83.46
vi) Amount of equity capital raised	# 520.57	128.51
viii) Amount of Additional Tier 1 capital raised; of which Perpetual Non-cumulative Preference Shares (PNCPS): Perpetual Debt Instruments (PDI):	2000	NIL
ix) Amount of Additional Tier 2 capital raised ; of which Debt capital instrument: Preference Share Capital Instruments:[Perpetual Cumulative Preference Shares(PCPS)/Redeemable Non-Cumulative Preference Shares(RNCPS)/Redeemable Cumulative Preference Shares(RCPS)]	2000	NIL

Increase in capital in the FY 2020-21 is due to amalgamation of erstwhile Allahabad Bank

2. INVESTMENTS

2.1. In accordance with the RBI guidelines, the Bank's domestic investment portfolio has been classified into three categories.

The figures as at 31.03.2021 are given hereunder: (Amount of ₹ in Crore)

Classification	31/03/2021		31/03/2020	
	Amount	%	Amount	%
Held To Maturity –HTM*	127975.51	72.04	46772.80	58.21
Available for Sale – AFS	49672.63	27.96	33580.76	41.79
Held for Trading – HFT	0.00	0.00	0.00	0.00
Gross Total	177648.14	100.00	80353.56	100.00

*Domestic SLR securities in HTM category as a percentage of Net Demand and Time Liabilities works out to 19.50 against a stipulated maximum level of 22.50 (previous year works out to 17.08 as against a stipulated maximum level of 19.50).

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2.2. Investments

(Amount of ₹ in Crore)

Particulars	Current Year	Previous Year
(1) Value of Investments		
(i) Gross value of investments $		
(a) In India	177648.14	80353.56
(b) Outside India	2420.90	2268.27
(ii) Provision for Depreciation & NPI		
(a) In India	3437.58	1282.86
(b) Outside India	94.48	97.28
(iii) Net value of Investments		
(a) In India	174210.56	79070.70
(b) Outside India	2326.41	2170.99
(2) Movement of provision held towards depreciation on investments & NPI		
(i) Opening Balance	3075.64**	1035.06
(ii) Add: Provision made during the year	967.12	821.55
(iii) Less: Write off / Write back of excess provision during the year	605.17	573.75
(iv) Closing Balance	3437.58 #	1282.86 #

#Provision has not been made on shares issued in lieu of FITL for which Bank has not booked any income and holds an equivalent amount of interest realizable.

**The Opening Balance is as per the opening balance sheet of combined entity (IB and eAB)

$ Gross value of investments in India is after considering provision for security receipts ₹ 1922.31 Crore (Previous Year ₹ 1311.53 Crore)

2.2.1 Repo Transactions (in Face Value terms)

(Amount of ₹ in Crore)

Type	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2021
Securities sold under repo				
i. Government securities	0.00	12227.00	6164.01	0.00
ii. Corporate debt securities	0.00	0.00	0.00	0.00
Securities purchased under reverse repo				
i. Government securities	0.00	18900.00	5284.41	8900.00
ii. Corporate debt securities	0.00	0.00	0.00	0.00

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2.2.2 Non-SLR Investment Portfolio (Domestic)

i) ***Issuer Composition of Non SLR Investments:***

(Amount of ₹ in Crore)

No.	Issuer	Amount	Extent of Private Placement	Extent of Below Investment Grade Securities	Extent of unrated Securities	Extent of unlisted Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSU	22659.18	20507.29	0.00	175.36	19085.92
2	FIs	7290.60	5116.48	332.19		167.04
3	Banks	907.22	307.50	0.00		191.08
4	Private Corporate#	6633.03	6293.16	1121.39	3.50	4337.84
5	Subsidiaries/Joint Ventures	211.50	211.50	0.00		132.83
6	Others	293.90	213.17	0.00		213.17
7	Provision held towards depreciation & NPI	-3413.49	xx	xx	xx	xx
	Total	34581.93	32649.10	1453.58	178.86	24127.67

#This figure is net of hived off provision of ₹.1922.31 crore

ii) **Non Performing Non-SLR Investments**

(Amount of ₹ in Crore)

Particulars	2020-21	2019-20
Opening Balance	1623.51*	412.77
Additions during the year since 1st April	93.07	363.40
Reduction during the above period	17.85	4.86
Closing Balance	1698.73	771.32
Total Provisions held	797.45	425.08

* Opening balance is as per the opening balance sheet of the combined entity

2.2.3 Sale and Transfers to/ from HTM Category:

The value of sales and transfers of securities to / from HTM category did not exceed 5 per cent of the book value of investments held in HTM category at the beginning of the year as per RBI guidelines.

- Profit on account of sale of securities from HTM category amounting to ₹.85.00 Crore (previous year ₹ 271.10 Crore) has been taken to Profit and Loss Account and thereafter an amount of ₹.47.71 Crore (previous year ₹.152.15 Crore) was transferred to Capital Reserve Account (net of taxes and amount required to be transferred to statutory reserves).

- Shifting of securities:

  (i) In the beginning of the year, the Bank shifted

  - SLR securities for Book Value of ₹.17581.47 Crore from HTM to AFS which has resulted in no additional provision. Out of which SLR shifting is ₹.17548.95 Crore & Non-SLR VCF securities for Book Value of ₹. 32.52 Crore with NIL depreciation provision from HTM category to AFS category and

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- SLR securities for Book Value of ₹.1358.97 Crore from AFS category to HTM category which has resulted in adjustment of provision held against depreciation for ₹. 2.32 Crore to reduce the book value to the market value. Out of which SLR shifting is ₹.1347.97 Crore and NSLR shifting is ₹.11 Crore

ii) During the year, the Bank shifted

- NSLR securities for Book value of ₹.2942.92 Crore from HTM category to AFS category on account of repayment of funds availed under TLTRO/TLTRO 2.0 before maturity
- NSLR securities for Book value of ₹.325.00 Crore from AFS category to HTM category as per the extended PCGS scheme

iii) In case of securities classified under HTM category, if acquisition cost is more than the face value, the premium is amortized over the remaining period to maturity. For the Financial Year 2020-21, a sum of ₹ 261.43 Crore (previous year ₹ 90.58 Crore) has been amortized and the same is reflected as a deduction from 'Income on Investments'.

3. DERIVATIVES

3.1 Forward Rate Agreements / Interest Rate Swaps

The Bank has not entered into Derivative contracts of the nature of Forward Rate Agreements / Interest Rate Swaps (IRS) to hedge on balance sheet assets during the financial year 2020-21.

(Amount of ₹ in Crore)

Items	Current Year	Previous year
i) The notional Principal of Swap agreement	0.00	0.00
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreement	NIL	NIL
iii)Collateral required by bank upon entering into swaps	NIL	NIL
iv) Concentration of Credit Risk arising from the swaps	0.00	0.00
v) The fair value of swap book	0.00	0.00

3.2 Exchange Traded Interest Rate Derivatives

The Bank has not contracted any exchange traded interest derivatives during the current year and in the previous year.

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(Amount of ₹ in Crore)

S.No.	Particulars	Current Year	Previous year
i.	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise) a) b) c)	NIL	225
ii.	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2020(instrument wise) a) b) c)	NIL	NIL
iii.	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise) a) b) c)	NIL	NIL
iv.	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise) a) b) c)	NIL	NIL

3.3 Disclosures on risk exposure in derivatives

3.3.1 <u>Qualitative Disclosures:</u>

Bank's policy permits hedging of asset as well as liability using IRS. The hedging transactions are to be accounted on an accrual basis. Swaps, which hedge interest bearing asset / liability, are accounted for as the asset or liability hedged. Outstanding swap contracts are marked to market.

All swap deals shall be based on the guidelines of International Swaps Dealers' Association. Bank has adequate control systems and also internal approvals prior to concluding transactions. There exists a clear functional segregation between (i) trading (Dealing) (ii) back office (settlement, monitoring and control) and (iii) accounting sections.

In the derivatives segment, the bank's policy permits doing proprietary trading in Overnight Index Swaps (OIS). The activities in this segment are governed by the Derivatives Policy approved by the Bank's Board.

The gain or loss in OIS transactions is booked in the Profit and Loss account on the maturity or unwinding of the deal whichever is earlier. For the purpose of valuation of outstanding OIS deals, the fair value of the total swap is computed on the basis of the amount that would be receivable or payable on termination of the swap as on the balance sheet date. Losses arising there from, if any, are fully provided for while the profits, if any, are ignored.

Exchange traded FX Derivatives i.e. Currency Futures, are valued at the Exchange determined prices and the resultant gains and losses are recognized in the Profit and Loss account.

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3.3.2 Quantitative Disclosures

The Bank is active in the following products under derivatives:-

- Overnight Index Swaps (OIS)
- Currency Futures

The outstanding OIS position as on 31st March 2021 was ₹ Nil (previous year ₹ Nil).

Outstanding position in Currency futures as on 31.03.2021 is ₹ Nil and (previous year was ₹ Nil)

(Amount of ₹ in Crore)

Sl. No.	Particular	Current Year		Previous Year	
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
(i)	Derivatives (Notional Principal Amount)	0.00	0.00	0.00	0.00
	a) For hedging				
	b) For Trading	0.00	0.00	0.00	0.00
(ii)	Marked to Market Positions (1)				
	a) Asset (+)	0.00	0.00	0.00	0.00
	b) Liability (-)	0.00	0.00	0.00	0.00
(iii)	Credit Exposure (2)	0.00	0.00	0.00	0.00
(iv)	Likely impact on one percentage change in interest rate (100*PV01)				
	a) On hedging derivatives	0.00	0.00	0.00	0.00
	b) On trading derivatives	0.00	0.00	0.00	0.00
(v)	Maximum and Minimum of 100*PV01 observed during the year				
	a) On hedging				
	Maximum	0.00	0.00	0.00	0.00
	Minimum	0.00	0.00	0.00	0.00
	b) On Trading				
	Maximum	0.00	0.00	0.00	2.47
	Minimum	0.00	0.00	0.00	1.23

4. ASSETS QUALITY

4.1.1 Non Performing Assets

(Amount of ₹ in Crore)

Particulars	2020-2021	2019-20
(i) Net NPAs to Net Advances (%)	3.37	3.13
(ii) Movement of NPAs (Gross)		
(a) Opening Balance	* 41997.71	13353.45
(b) Additions during the year	9429.55	5320.50
(c) Reductions during the year	12971.91	4523.11
(d) Closing Balance	38455.35	14150.84

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Particulars		2020-2021	2019-20
(iii) Movement of Net NPAs			
(a) Opening Balance	*	14272.33	6793.11
(b) Additions during the year		7196.53	3778.48
(c) Reductions during the year		9197.73	4387.35
(d) Closing Balance		12271.13	6184.24
(iv) Movement of Provision for NPAs (excluding provisions on standard assets and Floating Provisions)			
(a) Opening Balance	*	27274.26	6131.86
(b) Provisions made during the year		6663.77	4254.77
(c) Write-off / Write - back of excess provisions		8297.85	2871.16
(d) Closing Balance		25640.18	7515.47

* Opening balance is as per the opening balance sheet of the combined entity

4.1.2..Disclosure on Divergence in Asset Classification and Provisioning for NPAs

In terms of the RBI circular no. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1st April 2019, banks are required to disclose the divergences in asset classification and provisioning consequent to RBIs annual supervisory process in their notes to accounts to the financial statements, wherever either or both of the following conditions are satisfied : (a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 15 percent of the published incremental Gross NPAs for the reference period. As the divergences are within threshold limit as specified above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBIs annual supervisory process for FY2020. However, the bank has fully provided for divergences pointed out by RBI in its RAR report for F.Y.2019-20.

4.1.3 Details of Resolution Plans implemented during the year 2020-21 in terms of RBI circular no DBR no BP.BC. 45 /21.04.048/2018-19 dated 7th June 2019::

Resolution plan in terms of RBI circular DBR no.BP.BC.45/21.04.048/2018-19 dated 7th June 2019 has been successfully implemented in our NPA account M/s Jaiprakash Power Ventures Ltd o/s as on 31.12.2020 – ₹.90.81 crore.

Resolution period extended in any accounts as provided in para 3 & 4 of RBI circular No.DOR No.DP.BC.62/21.04.48/2019-20 dt. 17.04.2020: NIL

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4.2.1 Disclosure of Restructured Accounts as on 31.03.2021

Sl No	Type of Restructuring / Asset Classification / Details			Under CDR Mechanism					Under SME Debt Restructuring					Others					Total				
				Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of FY 2020 (opening figure) * #	1	No Of Borrowers	1	0	4	1	6	40414	5786	731	8	46939	20341	941	2180	40	23502	60756	6727	2915	49	70447
		2	Amount Outstanding	0.00	0.00	387.37	77.65	465.02	2099.67	262.95	173.41	1.44	2537.47	1485.88	202.62	1668.53	143.29	3500.32	3585.55	465.57	2229.31	222.38	6502.81
		3	Provision thereon	0.00	0.00	0.86	0.00	0.86	23.07	2.80	0.16	0.00	26.03	9.27	0.02	12.14	0.00	21.43	32.34	2.82	13.15	0.00	48.31
2	Fresh restructuring during Apr-Mar 2021	4	No Of Borrowers	0	0	0	0	0	19457	1314	333	4	21108	7096	642	812	2	8554	26555	1956	1145	6	29662
		5	Amount Outstanding	0.00	0.00	4.62	0.00	4.62	2501.18	158.98	113.22	0.77	2774.15	1485.95	66.64	886.77	44.38	2483.74	3987.13	225.62	1004.61	45.15	5262.51
		6	Provision thereon	0.00	0.00	0.00	0.00	0.00	-0.82	1.18	-3.87	-0.01	-3.52	19.38	0.01	-2.80	0.00	16.59	18.56	1.19	-6.67	-0.01	13.07
3	Up gradation to restructured standard category during Apr-Mar 2021	7	No Of Borrowers	0	0	0	0	0	291	-281	-10	0	0	39	-23	-16	0	0	330	-304	-26	0	0
		8	Amount Outstanding	0.00	0.00	0.00	0.00	0.00	54.70	-14.07	-40.63	0.00	0.00	152.42	-151.25	-1.17	0.00	0.00	207.12	-165.32	-41.80	0.00	0.00
		9	Provision thereon	0.00	0.00	0.00	0.00	0.00	0.02	-0.01	-0.01	0.00	0.00	0.01	0.00	-0.01	0.00	0.00	0.03	-0.01	-0.02	0.00	0.00
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	10	No Of Borrowers	0				0	-5390				-5390	-8593				-8593	-13983				-13983
		11	Amount Outstanding	0.00				0.00	-238.65				-238.65	-321.63				-321.63	-560.28				-560.28
		12	Provision thereon	0.00				0.00	-1.25				-1.25	-5.19				-5.19	-6.44				-6.44

5	Down gradations of restructured accounts during Apr-Mar 2021	13	No Of Borrowers	0	0	0	0	0.00	-5705	-4597	10215	7	-80	-2648	-557	3277	0	80	-8353	-5154	13492	15	0
		14	Amount Outstanding	0.00	0.00	0.00	0.00	0.00	-521.69	-162.94	668.86	3.44	-12.33	-185.68	-37.66	200.75	34.92	12.33	-707.37	-200.60	869.60	38.37	0.00
		15	Provision thereon	0.00	0.00	0.00	0.00	0.00	-7.40	-2.25	8.06	0.01	-1.58	-2.48	0.05	2.74	1.27	1.58	-9.88	-2.20	10.80	1.28	0.00
6	Write-offs of restructured accounts during Apr-Mar 2021	16	No Of Borrowers	-1	0	0	0	-1	-5118	-777	-108	-1	-6004	-3163	-190	-321	-9	-3683	-8282	-967	-429	-10	-9688
		17	Amount Outstanding	0.00	0.00	-9.58	0.00	-9.58	-195.95	-12.55	-30.86	-0.56	-239.92	-352.71	-8.34	-115.78	-1.85	-478.68	-548.66	-20.89	-156.22	-2.41	-728.18
		18	Provision thereon	0.00	0.00	-0.86	0.00	-0.86	-3.43	-0.01	-3.47	0.00	-6.92	26.73	0.00	-11.62	-1.27	13.84	23.30	-0.01	-15.96	-1.27	6.06
7	Restructured Accounts as on Mar 31st 2021 (closing figure) *	19	No Of Borrowers	0	0	4	1	5	43949	1445	11161	18	56573	13074	813	5932	41	19860	57023	2258	17097	60	76438
		20	Amount Outstanding	0.00	0.00	382.41	77.65	460.06	3699.26	232.37	884.00	5.09	4820.72	2264.23	72.01	2639.10	220.74	5196.08	5963.49	304.38	3905.50	303.49	10476.86
		21	Provision thereon	0.00	0.00	0.00	0.00	0.00	10.19	1.71	0.86	0.00	12.75	47.72	0.08	0.45	0.00	48.25	57.91	1.79	1.30	0.00	61.00

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)
\# Opening balance is as per the opening balance sheet of the combined entity

S No. 2 includes ₹.3710.95 Crore of fresh restructuring and further debits / disbursements to existing restructured account as on 31.03.2021 - ₹.1551.56 Crore
S No.6 includes fresh write off ₹.0.01 cr and closer/ sale to ARC - ₹. 204.90 cr decrease in balance - ₹ 523.27

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4.2.2 MSME DISCLOSURE

Based on RBI Circular DBR No: BP.BC 18/21.04.048/2018-19 dated January 1, 2019 and BP.BC.34/21.04.048/2019-20 dated 11.02.2020 the Bank has restructured MSME accounts as detailed below:

	No. of accounts	Balance outstanding in these accounts as on 31.03.2021 (Amount of ₹ in Crore)
Accounts Restructured	95862	4414.93
Of which, slipped to NPA	15963	839.10
Net standard Advances		3575.83

Standard asset provision required for these accounts as per above RBI circular: 0.25 % + Additional provision of 5% = 5.25% i.e. ₹ 3575.83* 5.25% = ₹ 187.73 Crore

4.3 Details of financial assets sold to Securitization / Reconstruction Company for Asset Reconstruction

4.3.1 Details of Sales

(Amount of ₹ in Crore)

Particulars	2020-21	2019-20
(i) No. of Accounts	709	NIL
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	11.35	NIL
(iii) Aggregate consideration	48.84	NIL
(iv) Additional consideration realized in respect of accounts transferred in earlier years	1.96	NIL
(v) Aggregate gain/ loss over net book value	39.45	NIL

4.3.2 Book Value of Security Receipts (without netting hived off provision)

(Amount of ₹ in Crore)

Particulars	Current year	Previous Year
(i) Backed by NPAs sold by the bank as underlying	3854.53	2336.73
(ii) Backed by NPAs sold by other banks / financial institutions / non banking financial companies as underlying	Nil	Nil
Total	3854.53	2336.73

(Amount of ₹ in Crore)

	Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
(i)	Book Value of SRs backed by NPAs sold by the Bank as underlying	1086.55	2708.01	59.97
	Provision held against (i)	230.62	819.94	59.06
(ii)	Book Value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	0.00	0.00	0.00
	Provision held against (ii)	0.00	0.00	0.00
	Total (i) + (ii)	1086.55	2708.01	59.97

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4.3.3 Details of non-performing financial assets purchased /sold

A. Details of non-performing financial assets purchased:

(Amount ₹ in crore)

Particulars	2020-21	2019-20
1. (a) No. of accounts purchased during the year	NIL	NIL
(b) Aggregate outstanding	NIL	NIL
2. (a) Of these, number of accounts restructured during the year	NIL	NIL
(b) Aggregate outstanding	NIL	NIL

B. Details of non-performing financial assets sold (Amount of ₹ in Crore)

Particulars	2020-21	2019-20
1. No. of accounts sold	709	NIL
2. Aggregate Outstanding	128.96	NIL
3. Aggregate consideration received	48.84	NIL

4.3.4. Provision on Standard Assets

(Amount of ₹ in Crore)

Particulars	2020-21	2019-20
Provisions towards Standard Assets	**2826.83**	**961.08**

4.4 COVID-19 Measures

4.4.1 The spread of COVID-19 across the globe resulted in declined economic activity and increased volatility in financial markets. Though the calibrated and gradual withdrawal of lockdown by the government had led to resumption of economic activities, the current second wave of COVID 19 pandemic, has resulted in imposition of localised / regional lockdown measures in various parts of the country. In this situation, the challenges continue to unfold and the Bank is gearing itself on all fronts to meet the same and is evaluating the situation on an ongoing basis. The extent to which the COVID-19 pandemic will impact the Bank's results will depend on future developments, to the business environment. Considering the regulatory actions, Government intervention to support the economic recovery, the Bank expects realisable value of the assets not to be significantly impacted

4.4.2 . In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated 27th March, 2020,17th April, 2020 and 23rd May 2020, and clarification issued by RBI through Indian Banks' Association, dated 6th May 2020, the Bank has granted moratorium on the payment of installments and / or interest, as applicable, falling due between 1st March, 2020 and 31st August, 2020 ('moratorium period') to eligible borrowers classified as Standard, even if overdue, as on 29th February, 2020 without considering the same as restructuring. In accordance with RBI guidelines, the moratorium period, wherever granted, is excluded by the Bank from the number of days past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms. The Bank holds provisions as on 31st March 2021 against the potential impact of COVID-19 based on the information available up to a point in time. Following are the details of such accounts and provisions made by the Bank:

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(Amount of ₹ in Crore)

Sr. No.	Particulars	As on 31st March, 2021
1	Advances outstanding in SMA/overdue categories, where the moratorium/ deferment was extended as per COVID-19 Regulatory Package (total outstanding)	NIL
2	Advances outstanding where asset classification benefits is extended (total outstanding)	NIL
3	Provisions made during FY 2020-21	1517.53
4	Provisions adjusted during FY 2020-21	1517.53
5	Total provisions held as on 31.03.2021	NIL

4.4.3 The Honourable Supreme Court of India, in its interim order dated September 3, 2020 in the Public Interest Litigation case of Gajendra Sharma vs Union of India & Anr has directed Banks that the accounts which were not classified as NPA till August 31, 2020 should not be so classified till further orders of Supreme Court. Pursuant to the order, the Bank did not classify any domestic borrowal account which had not been classified as NPA as at August 31, 2020 as per RBI Prudential Norms on Income Recognition, Asset Classification, Provisioning and other related matters, as NPA after August 31, 2020. However, as a matter of prudence, the Bank made an additional provision of ₹ 1517.53 Cr till 31.12.2020 .

In view of the above, and pursuant to the Supreme Court's final order dated March 23, 2021 and in accordance with the instructions of RBI circular dated 07.04.2021 issued in this connection, the Bank has classified these borrower accounts as per extant IRAC norms with effect from 01.09.2020 and utilized the above provisions towards provision on these accounts.

4. In accordance with the instructions of RBI Circular dated 07.04.2021 on "Asset Classification and Income Recognition following the expiry of COVID 19 regulatory package", the Bank shall refund / adjust 'interest on interest' charged to all borrowers including those who had availed of working capital facilities during moratorium period i.e. 01.03.2020 to 31.08.2020, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount to be refunded / adjusted for different facilities has been circulated by the Indian Banks' Association (IBA) as required by RBI notification. Accordingly the bank has created an estimated liability of ₹. 230 Crore towards interest relief. The bank has reversed the same from interest income.

5. Business Ratios

Particulars	2020-21	2019-20
(i) Interest Income as a percentage to Working Funds	6.56	7.26
(ii) Non-Interest Income as a percentage to Working Funds	1.02	1.12
(iii) Operating Profit as a percentage to Working Funds	1.91	2.20
(iv) Return on Assets (%)	0.50	0.26
(v) Business (Deposits plus Advances) per employee (₹ Crore)	22.17	24.62
(vi) Profit per employee (₹ crore)	0.07	0.04

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6. Asset Liability Management

	1 day	2-7 days	8 -14 days	15 to 30 days	31 Days to 2months	2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	4649.65	11479.41	7776.47	11310.75	16085.01	15716.12	33232.35	54155.98	68082.80	25241.73	290340.83	538071.12
Borrowings	1291.41	5180.22	97.35	80.48	452.39	781.95	2255.33	3434.67	4600.80	5500.00	2500.00	26174.60
Investments*	54012.41	2857.14	1230.50	3400.33	1281.89	1457.08	7206.61	13026.40	15800.44	5848.82	69980.92	176102.54
Advances	6334.18	5102.45	15768.16	5860.84	12746.00	9365.18	24866.05	40684.33	137366.03	54342.68	51574.33	364010.24

*Excludes 50% of listed equities of ₹. 434.43 cr

of which

Foreign Currency Liabilities	1311.60	619.23	134.27	1009.26	1580.47	1985.09	2551.50	3143.35	3088.18	777.00	679.44	16879.39
Foreign Currency Assets	301.53	590.40	281.70	1945.51	1665.49	1743.19	3167.52	1506.50	2181.39	567.69	184.51	14135.43

7 **Exposures:**

7.1 Exposure to Real Estate Sector

(Amount of ₹ in Crore)

Category	**31.03.2021**	**31.03.2020**
A) Direct Exposure		
(i) Residential Mortgages -	39600.06	21438.09
Out of which individual housing loans eligible for being included under priority sector	17181.98	9051.73
(ii) Commercial Real Estate -	7932.84	3822.07
(iii) Investment in Mortgage Backed Securities (MBS) and other securitized exposures	NIL	NIL
a) Residential	NIL	NIL
b) Commercial Real Estate	NIL	NIL
B) Indirect Exposure		
Fund based and Non-fund based exposure on National Housing Bank(NHB) and Housing Finance Companies (HFCs)	23729.22	11842.40
Total Exposure to Real Estate Sector	**71262.12**	**37102.56**

7.2 Exposure to Capital Market

(Amount of ₹ in Crore)

Items	**31.03.2021**	**31.03.2020**
(i) Direct Investment		
a) In Equity shares,	997.88	448.41
b) In Bonds/Convertible Debentures,	977.59	68.71
c) In Units of Equity- Oriented Mutual Funds the corpus of which is not exclusively invested in Corporate Debt;	NIL	NIL
(ii)Advances against Shares/Bonds/Debentures or other Securities or on clean basis to individuals for investment in Equity shares (including IPOs/ESOPs) Convertible Bonds, Convertible Debentures, and units of Equity Oriented Mutual Funds;	54.93	NIL
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	15.16	18.03
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover advances ;	NIL	NIL
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	121.50	20.25
(vi) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
(vii) Bridge loans to companies against expected equity flows/issues;	NIL	NIL
(viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	NIL	NIL

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(ix) Financing to stockbrokers for margin trading	NIL	NIL
(x) All exposures to Venture Capital Funds (both registered and unregistered);	82.23	20.05
Total Exposure to Capital Market	**2249.29**	**575.45**

7.3 Risk Category-wise Country Exposure

(Amount of ₹ in Crore)

Risk category**	Exposure (Net) as at 31.03.2021	Provision held as at 31.03.2021*	Exposure (Net) as at 31.03.2020	Provision held as at 31.03.2020
Insignificant	10888.46	NIL	5333.55	3.18
Low	4706.67	NIL	4290.33	NIL
Moderate	3085.07	NIL	117.79	NIL
High	0	NIL	0.11	NIL
Very High	0	NIL	0	NIL
Restricted	0	NIL	0	NIL
Off-credit	0	NIL	0	NIL
Total	**18680.20**	NIL	**9741.78**	**3.18**

*There is a retrieval of provision of ₹.7.27 crore this quarter, provided on 31.12.2020
**As per the updated country risk classification by the ECGC as on 31.03.2021

COUNTRY RISK MANAGEMENT:
The Bank has analyzed its net funded exposure to various countries as on 31.03.2021 and such exposure to countries is well within the stipulation of 1% of the total assets of the Bank.(In previous year in respect of Singapore , which was classified under "Insignificant" risk category by ECGC LTD, a provision of ₹.3.18 Crore was made)

7.4 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) if any exceeded by the Bank

(Amount of ₹ in Crore)

Borrower Name	Additional Exposure	Total Highest Exposure	Percentage of additional exposure	Percentage of Total Exposure
		NIL		

7.5 Unsecured Advances

Out of the total unsecured advances, advances secured by intangible securities such as rights, licenses, authority, etc. charged to the bank as collateral in respect of projects (including infrastructure projects) is NIL. Estimated total value of such intangible collateral is NIL

7.6 Provision for Income Tax for the year

(Amount of ₹ in Crore)

	2020-21	2019-20
Provision for Taxation (Income Tax including Deferred Tax)	-99.10	619.37

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The disputed income tax demand paid as at 31.03.2021 was ₹.3953.36 Crore (previous year ₹.4129.14 Crore). The same has also been included under contingent liabilities relating to Income Tax of ₹ 7584.17 Crore (previous year ₹.4396.00 Crore) relating to disputed tax matters as at 31.03.2021. No provision is considered necessary for the said disputed demands on account of judicial pronouncements and favorable decisions in Banks' own case.

8. Disclosure of Penalties imposed by RBI

During the year RBI has imposed of ₹ 12.01 lakhs (142 entries) (Previous Year ending 2019-20 ₹ 16.82 lakhs, 155 entries) for shortages, forgeries in soiled notes remittances and delayed / wrong reporting in ICCOMS / non adherence to RBI guidelines by the currency Chest operations.

Disclosure of Penalties imposed by GOI

No penalties are levied/paid during the year 2020-21 for Government transactions

Disclosure of Penalties imposed by IT

Income tax department has imposed penalty of ₹.0.24 lacs on Alipur branch for not delivering Form 16A of FY 2018-19 to customer in time.

8.1 Fixed Assets

8.1.1 The premises of the Bank include land and are stated at revalued amount. The Bank revalued its premises in the financial year 2018-19 at fair market value determined by the approved external valuers. There is an increase of ₹.983.38 Crore in the amount of revaluation of premises, which has been credited to "Revaluation Reserve Account". For the year 2020-21, depreciation amounting to ₹.114.43 Crore (Previous Year ₹.110.49 crore) was charged under expenditure and depreciation on revalued portion amounting to ₹.142.87 Crore (previous year ₹. 107.20 crore) is adjusted against the "Revaluation Reserve account'.

As per AS 10 Standard, depreciation on revalued assets amounting to ₹. 142.87 Crore was also charged under expenditure for the year 2020-21. The same was adjusted against Revaluation Reserve to the credit of Revenue Reserve A/c.

There is a change in the estimated useful life of Fixed Assets. The impact due to the change is increase in depreciation and decrease in net profit for the year ended 31.03.2021 by Rs. 82.38 crores.

8.1.2 Registration formalities are yet to be completed for the following properties:

IB Premises:

Premises include 4 properties costing ₹.3.59 Crore (Previous year 4 properties costing ₹. 3.59 Crore) having original/revalued book value of ₹.45.59 crore (Previous year – ₹.48.04 crore), net of depreciation at ₹.1.17 Crore (Previous year ₹.1.17 crore) for which registration formalities are pending.

e-AB Premises:

Premises include 5 (3+2*) properties costing ₹.4.79 cr (Previous year – 5 (3+2*) properties costing ₹.4.79 cr), having original/revalued book value of revalued book value of ₹.14.15 crore (Previous Year – ₹.14.32 crore), net of depreciation at ₹.0.23 crore (Previous year – 0.23 crore) for which registration formalities are pending.

*Property at Hyderabad costing ₹.1.61 crore, where clearance is pending before ULC authority and at Chennai costing ₹.2.32 crore, where interim stay has been granted by DRAT.

Combined Entity:

Premises include 9 (7+2*) properties costing ₹.8.38 crore (Previous year : 9(7+2*) properties costing ₹.8.38 crore), having original/revalued book value of ₹.59.74 crore (Previous year – ₹.62.36 crore), net of depreciation at ₹.1.40 crore (Previous year : ₹.1.40 crore) for which registration formalities are pending

9. DISCLOSURES IN TERMS OF ACCOUNTING STANDARDS (AS):

9.1 Cash Flow Statement (AS 3) :

Cash Flow statement for the Year ended March 31, 2021		
	(Amount of ₹ in 000s)	
	Year ended	**Year ended**
	31.03.2021	**31.03.2020**
Net Profit as per Profit and Loss Account	30046777	7533582
Adjustments for :		
Provision for for NPA	73184606	43358373
Provision for for Investment	4276778	3913030
Provision for for Standard Assets	4694004	1429444
Provision for Tax	(990977)	6193684
Other Provisions and Contingencies	2745298	2552298
Depreciation on Fixed Assets	6328720	3136306
Interest on Capital Instrument	6439760	2776814
Loss/(profit) on sale of land and buildings	3919	(7339)
Income taxes paid	**0**	(7900000)
Profit before working Capital Changes	**126728885**	**62986192**
Increase/Decrease in Operating Assets		
(Increase) / Decrease in Investments	(150563787)	(166408167)
(Increase) / Decrease in advances	(302528578)	(209131864)
(Increase) / Decrease in other assets	(29155843)	(18996441)
	(482248208)	**(394536472)**
Increase/Decrease in Operating Liabilities		
Increase /(Decrease) in Deposits	495212542	181499502
Increase/(Decrease) in Borrowings(other than Capital Instruments)	(72784108)	86927667
Increase/(Decrease) in other liabilities	103715023	(20885612)
	526143457	**247541557**
Net cash generated from operations (A)	**170624134**	**(84008723)**
Cash flow from Investing activities		
Purchase of fixed assets	(5586490)	(2590730)
Sale of fixed assets	154985	118368
Net cash generated from Investing Activities (B)	**(5431505)**	**(2472362)**
Cash flow from Financing activities		
Payment of dividend	0	0

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Payment of distribution tax	0	0
Issue of AT-1 Bonds	20000000	0
Issue of Tier - 2 Bonds	20000000	0
Redemption of AT 1 Bonds	(5000000)	0
Redemption of Tier 2 Bonds	(10000000)	0
Interest on Capital Instrument	(6319416)	(2770750)
Capital Received towards Share	0	28294878
Amount paid to e-AB Shareholder (for fraction part)	(25076)	0
Net cash generated from financing activities (C)	**18655508**	**25524128**
Cash & cash equivalents received on account of amalgamation (D)	**217503795**	**0**
Net increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)+(D)	**401351932**	**(60956957)**
cash and cash equivalents at the beginning of the year		
cash in hand (including foreign currency notes)	10060885	10307547
Balances with Reserve Bank of India - in current Account	47300358	106711096
Balances with Banks		
(a) in current Accounts	53506	28027
(b) in other deposit accounts	7133657	7114575
Money at Call and short notice with Banks	21000001	22000000
Balances with Banks outside India		
(a) in current Accounts	5309257	2036553
(b) in other deposit accounts	48302644	51684718
Money at call and short notice	86532	321281
	139246840	**200203797**
Cash & Cash equivalents at the end of the year		
cash in hand (including foreign currency notes)	16582776	10060885
Balances with Reserve Bank of India - in current Account	258868041	47300358
Balances with Banks		
(a) in current Accounts	950844	53506
(b) in other deposit accounts	20464344	7133657
Money at Call and short notice with Banks	89000001	21000001
Balances with Banks outside India		
(a) in current Accounts	15776770	5309257
(b) in other deposit accounts	138662254	48302644
Money at call and short notice	293742	86532
	540598772	**139246840**
Difference in Opening and closing cash and cash equivalents	401351932	(60956957)

Note:-

1. Figures of the previous period have been regrouped wherever considered necessary to conform to current period classification.
2. The Cash flow statement for the ended March 31, 2021 has been prepared by Indirect Method after giving effect of amalgamation in the Balance Sheet for the year ended 31.03.2020.

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9.2. Property, Plant and Equipment (AS-10)

During the year, the depreciation on revalued portion of the fixed assets is charged to profit and loss account as against charge to revaluation reserves during the previous financial years to comply with the change in Accounting Standard (AS-10). This has the effect of increase in the expenses by ₹.142.87 crore and lowering the net profit by ₹.142.87 crore.

9.3 Amalgamation of Erstwhile Allahabad Bank with Indian Bank

9.3.1. In exercise of powers conferred by Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act of 1970 (5 of 1970) after consultation with the Reserve Bank of India, The Government of India (GOI) has notified the Scheme of Amalgamation (referred As per the GOI gazette notification dated March 4, 2020, the Scheme came into force on the 1st day of April, 2020. On the commencement of the Scheme, the undertakings of the Transferor Bank shall be transferred to and shall vest into the Transferee Bank.

9.3.2. In consideration of the transfer of and vesting of the undertaking of the Transferor Bank, equity shares of face value of ₹. 10 each fully paid-up (rank pari passu in all respect and have the same rights attached to them as the then existing equity shares of Transferee Bank, including, in respect of dividends, if any, that may be declared by the Transferee Bank, on or after the commencement of this scheme) in the Transferee Bank was issued to shareholders whose names were recorded in the register of members of the Transferor Bank as on the record date determined by the Transferee Bank for this purpose. Details are as below

Name of Transferor Bank	**Share exchange Ratio**
Allahabad Bank	115 equity shares of Indian Bank of face value of ₹. 10/- each fully paid up for every 1000 equity shares of Allahabad Bank of face value of ₹. 10/- each fully paid up

Further, the Transferee Bank has paid cash in respect of entitlements to fraction of equity shares wherever so determined

9.3.3. Disclosures as per para 24 of AS 14 —"Accounting for Amalgamations" is as under:

i) The general nature of business of the amalgamating company i.e. Allahabad bank is same as that of the Banking business of Indian Bank i.e Banking;

ii)The amalgamation is accounted under the 'pooling of interest' method as prescribed in AS- 14 "Accounting for amalgamation". All assets and liabilities (including contingent liabilities), duties and obligations of transferor Bank are proposed to be recorded in the books of account of transferee Bank at their existing carrying amount and in the same form as on April 01, 2020 except for adjustments to bring uniformity of accounting policies as required under AS-14. Any changes required to be made in liabilities / assets (including those consequent to changes in Accounting Standards) after the date on which the scheme came into force has been made subsequently in the books of account of the Transferee Bank.

iii)The amount of Share Capital issued by Transferee Bank amounting to ₹. 520.57 Crore (52,05,65,990 equity shares of face value ₹. 10 each issued at par) has been adjusted against the corresponding share capital of the Transferor Bank and the balance of ₹. 4006.91 crore has been adjusted to the Amalgamation Reserve. Cash in lieu of fractional entitlement of shares amounting to ₹. 2.51 Crore were paid.

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iv) Summarized values of assets and liabilities transferred in accordance with the terms of the Scheme are as detailed below:

(Amount of ₹ in Crore)

Particulars	eAB
Assets Taken Over	
Cash and Balances with RBI	7366.61
Balances with Banks and Money at Call and Short Notice	14383.82
Investments	80666.58
Advances	142964.78
Fixed Assets	3510.42
Other Assets	9109.91
Total Assets (A)	258002.12
Liabilities Taken Over	
Reserves and Surplus	8135.29
Deposits	228608.51
Borrowings	9102.57
Other Liabilities and Provisions	7628.27
Total Liabilities (B)	253474.64
Net Assets C=(A-B)	4527.48

Indian Bank and Allahabad bank have merged during the year. Though Indian Bank and Erstwhile Allahabad Bank had the same IT infrastructure, due to different policies and parameterization, there were challenges faced during integration. This has also thrown up operational difficulties of integration and differences in figures during the year end. The Management is in the process of carrying out a migration audit. Errors if any will be corrected after the integration is completed. In Management's estimate the impact of the same to the financial statement is not expected to be material

9.4 EMPLOYEE BENEFITS (AS 15)

9.4.1 Defined Contribution Plans:

Provident fund is a statutory obligation and in the case of Contributory Provident Fund Optees, the Bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to Profit and Loss Account. The fund is managed by Indian Bank Staff Provident Fund Trust. During the financial year 2020-21, the Bank has contributed ₹1.07 Crore (previous year ₹.0.56 cr)

New Pension Scheme (NPS) is applicable to employees who joined bank on or after 01.04.2010 and it is a defined contribution scheme. Under NPS the Bank pays fixed contribution at pre determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit and Loss Account. During the financial year 2020-21, the Bank has contributed ₹. 153.31 Crore (previous year ₹.58.41 cr)

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9.4.2 **Defined Benefit Plans:**

The summarized position of Post-employment benefits and long term employee benefits recognised in the Profit & Loss Account and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) are as under:

The following table sets out the basis of the Defined Benefit Pension Plan and Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Bank

I. PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]	31/03/2021	31/03/2020
Discount Rate -G-Sec Rate	6.87% for Pension – 15 year G-Sec Paper 6.44% for Gratuity – 10 year G-Sec Paper	6.89% for Pension – 15 year G-Sec Paper 6.82% for Gratuity – 10 year G-Sec Paper
Salary escalation rate	6.00% (includes 0.50% for wage revision)	6.00% (includes 0.50% for wage revision)
Attrition rate	1.00% for Pension and 2.00% for Service Employees	1.00% for Pension and 2.00% for Service Employees
Expected rate of return on Plan Assets *	6.89% for Pension and 6.86% for Gratuity	8.05% for Pension and 7.74% for Gratuity
Method used	Projected Unit Credit (PUC) actuarial Method	

* Expected Rate of return on Plan Assets not applicable for Leave encashment.

The estimates of future salary increases are considered taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market and in tandem with Funding Guidelines for Superannuation Schemes communicated by IBA. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible.

Mortality table: Indian Assured Life Mortality (2012-14) ultimate

The liabilities of leave encashment are unfunded.

(Amount of ₹ in Crore)

II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES:	Pension Fund		Gratuity		Leave Encashment	
	2020-21	2019-20	2020-21	2019-20	2020.21	2019-20
PVO as at the beginning of the year	**13995.78**	**6520.32**	**1868.46**	**923.85**	**826.09**	**188.20**
Interest Cost	914.67	425.49	120.53	62.84	53.97	13.93
Current service cost	229.80	96.47	105.33	46.31	174.38	20.03
Past service cost – recognised / vested benefits	0	0.00	0	0.00	0	0.00
Past service cost – unrecognised / non-vested benefits	0	0.00	0	0.00	0	0.00

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Benefits paid	-1363.65	-689.59	-223.04	-165.24	-69.4	-17.77
Actuarial loss/ (gain) on obligation	1542.88	449.26	-23.06	61.23	-7.62	5.90
PVO as at the end of the year	**15319.48**	**6801.95**	**1848.22**	**928.98**	**977.42**	**210.29**

III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:	**Pension Fund**		**Gratuity**		**Leave Encashment**	
	2020-21	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Fair value of plan	**13918.80**	**6418.93**	**1929.03**	**923.85**	**0**	**0.00**
Expected return on	1104.42	508.32	126.42	65.44	0	0.00
Contributions	1495.93	446.42	50.7	69.64	215.94	17.77
Benefits paid	-1363.65	-689.59	-223.04	-165.24	-215.94	-17.77
Actuarial gain/(loss)	-193.89	13.33	14.15	2.71	0	0.00
Fair value of plan	**14961.61**	**6697.41**	**1897.26**	**896.40**	**0**	**0.00**

*Data not available

IV. ACTUAL RETURN ON PLAN ASSETS	**Pension Fund**		**Gratuity**		**Leave Encashment**	
	2020-21	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Expected return on plan assets	1104.42	508.32	126.42	65.44	0.00	0.00
Actuarial gain / (loss) on plan assets	-193.39	13.33	14.15	2.71	0.00	0.00
Actual return on plan assets	910.53	521.65	140.57	68.15	0.00	0.00

V. ACTUARIAL GAIN / LOSS RECOGNISED	**Pension Fund**		**Gratuity**		**Leave Encashment**	
	2020-21	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Actuarial gain / (loss) for the year - Obligation	-1542.88	-449.25	+23.06	-24.74	7.62	5.90
Actuarial gain / (loss) for the year – due to financial assumption	0	0.00	0	-36.48	0	0.00
Actuarial gain / (loss) for the year- Plan Assets	-193.89	13.33	+14.15	2.71	0	0.00
Total gain / (loss) for the year	-1736.77	-435.92	+37.21	-58.51	7.62	5.90
Actuarial gain / (loss) recognised in the year	-1736.77	-435.92	+37.21	-58.51	7.62	5.90
Unrecognised actuarial gain / (loss) at the end of the year	0	0.00	0	0.00	0	0.00
Actuarial gain / (loss) for the year - Obligation	-1736.77	-435.92	+37.21	-58.51	7.62	5.90

VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSIS	**Pension Fund**		**Gratuity**		**Leave Encashment**	
	2020-21	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Present value of the obligation	15319.48	**6801.96**	**1848.22**	**928.98**	977.42	210.29

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Fair value of plan assets	14961.61	6697.41	1897.26	896.40	0	0
Difference - Net (Liability) / Asset recognized in Balance Sheet	-357.87	-104.55	49.04	-32.58	977.42	-210.29
Unrecognised transitional liability	0	0.00	0.00	0.00	0	0
Unrecognised past service cost	0	0.00	0.00	0.00	0	0
Liability recognised in the balance sheet	-357.87	-104.55	49.04	-32.58	977.42	-210.29

VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:	**Pension Fund**		**Gratuity**		**Leave Encashment**	
	2020-21	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Current service cost	229.79	96.47	105.33	46.31	174.38	20.03
Interest Cost	914.67	425.49	120.53	62.84	53.97	13.93
Expected return on plan assets	-1104.42	-508.32	-126.42	-65.44	0.00	0.00
Net actuarial (gain)/loss recognised in the year	1736.77	435.92	-37.21	58.51	7.62	5.90
Transitional Liability recognised in the year	0.00	0.00	0.00	0.00	0.00	0.00
Past service cost - recognised	0.00	0.00	0.00	0.00	0.00	0.00
Expenses recognised in the statement of profit and loss	1776.82	**449.57**	**62.23**	**102.22**	220.73	**39.86**

VIII. MOVEMENTS IN THE LIABILITY RECOGNISED IN THE BALANCE SHEET	**Pension Fund**		**Gratuity**		**Leave Encashment**	
	2020-21	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Opening net liability	-76.98	-101.39	60.57	-13.19	-826.09	-188.21
Expense as above	-1776.82	-449.58	-62.23	-89.02	-220.73	-39.86
Contribution paid	1495.93	446.42	50.7	69.64	69.4	17.77
Closing net liability	-357.87	**-104.55**	**49.04**	**-32.58**	977.42	**-210.30**

IX. EXPERIENCE ADJUSTMENTS ON PLAN ASSETS/LIABILITIES (ii) Previous Years 2016-21 - Pension	**Year ended**					
	31.03.2016	**31.03.2017**	**31.03.2018**	**31.03.2019**	**31.03.2020**	**31.03.2021**
Present Value of obligation	5608.14	5925.15	6245.89	6520.32	6801.96	15319.48
Plan Assets	5508.95	5841.36	6146.80	6418.93	6697.41	14961.61
Surplus/ (Deficit)	-99.19	-83.79	-99.09	-101.39	-104.55	357.87
Experience adjustments on plan liabilities- (loss) / gain	-384.40	-826.82	-704.39	-335.65	-449.25	1542.88

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Experience adjustments on plan assets- (loss) / gain	-7.61	27.73	10.93	-8.58	13.32	193.89

IX. EXPERIENCE ADJUSTMENTS ON PLAN ASSETS/LIABILITIES (iii) Previous Years 2016-21 - Gratuity	Year ended					
	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020	31.03.2021
Present Value of obligation	831.94	900.9	964.99	923.85	928.98	1848.22
Plan Assets	829.38	876.81	932.55	910.66	896.4	1897.26
Surplus/ (Deficit)	-2.56	-24.09	-32.44	-13.19	-32.58	49.04
Experience adjustments on plan liabilities- (loss) / gain	-24.2	-87.34	-36.2	-2.11	-61.22	23.06
Experience adjustments on plan assets- (loss) / gain	-1.66	-1.36	22.12	-0.38	2.71	14.15

IX. EXPERIENCE ADJUSTMENTS ON PLAN ASSETS/LIABILITIES (III) Previous Years 2016-21 - Leave Encashment	Year ended					
	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020	31.03.2021
Present Value of obligation	161.63	171.21	179.51	188.21	210.29	977.42
Plan Assets0	0	0	0	0	0	0
Surplus/ (Deficit)	-161.63	-171.21	-179.51	-188.21	-210.29	977.42
Experience adjustments on plan liabilities- (loss) / gain	-100.37	-3.01	10.18	7.58	17.71	7.62
Experience adjustments on plan assets- (loss) / gain	0	0	0	0	0	0

X. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)	2020-21		2019-20	2019-20
	Pension Fund	Gratuity Fund	Pension Fund	Gratuity Fund
Government of India Securities and State Government Securities	36.76%	28.00%	55.00%	0.00%
High Quality Corporate Bonds /PSU BONDS	15.64%	12.98%	40.00%	0.00%
Special Deposit Scheme	0.06%	0.00%	1.00%	-
Funds managed by Insurer	47.21%	58.60%	4.00%	100.00%
Private Sector Bonds	0.33%	0.42%	-	-
Money Market	-	-	-	-
Total	100.00%	100.00%	100.00%	100.00%

(Amount of ₹ in crore)

XI. CONTRIBUTION DURING NEXT YEAR	Pension Fund	Gratuity Fund	Earned Leave
Enterprises best estimate of contribution during next year	1400	50	240

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9.4.3 Other Long Term Employee Benefits

Amount of ₹. 50.12 crore (previous year ₹. 3.71 crore) has been provided towards Long Term Employee Benefits as per the actuarial valuation by the independent Actuary appointed by the Bank and is included under the head "Payments to and Provisions for Employees" in Profit and Loss Account.

Details of additional Provisions made / (written back) for various long Term Employee Benefits during the year:

(Amount of ₹ in Crore)

No.	Long Term Employee Benefits	31/03/2021	31/03/2020
1.	Sick Leave	15.28	1.44
2.	Casual Leave	0.16	0.12
3.	Leave Travel Concession	34.68	2.15
Total		**50.12**	**3.71**

No.	Long Term Employee Benefits	Opening balance 01.04.2020	Expenditure 2020-21	Addition 2020-21	Closing balance 31.03.2021
1	Sick Leave	7.38	0	15.28	22.66
2	Casual Leave	0.71	0	0.16	0.87
3	Leave Travel Concession	6.78	18.56	34.68	69.62
Total		**14.87**	**18.56**	**50.12**	**93.45**

Note: Disclosures included are limited to the extent of information provided by the Actuary.

9.5 Accounting Standard - 17 "Segment Reporting"

1. Segment Identification

I. Primary (Business Segment)

The following are the primary segments of the Bank: -

-Treasury
-Corporate / Wholesale Banking
-Retail Banking
-Other Banking Business.

The present accounting and information system of the Bank does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organizational and management reporting structure and the nature of their risk and returns, the data on the primary segments have been computed as under:

i. Treasury -
The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.

ii. Corporate / Wholesale Banking –
The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include

Ravi Rajan & Co. LLP * Chartered Accountants New Delhi providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices.

iii. Retail Banking –
The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs.

iv. Other Banking business —
Segments not classified under (i) to (iii) above are classified under this primary segment.

II. Secondary (Geographical Segment)

i. Domestic Operations - Branches/Offices having operations in India
ii. Foreign Operations - Branches/Offices having operations outside India and offshore Banking units having operations in India

III. Allocation of Expenses, Assets and Liabilities
Expenses incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of segment assets in each segment/ratio of directly attributable expenses. The Bank has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

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Part A Business Segments	Treasury		Corporate/Wholesale Banking		Retail Banking		Other Banking operations		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue	14 002.34	6 360.25	17 708.42	8 257.78	13 021.62	9 532.64	452.66	271.11	45 185.04	24 421.78
Result	6 204.56	2 092.05	2 843.03	1 824.77	2 084.26	2 072.26	263.80	216.16	11 395.65	6 205.24
Unallocated expenses									8 490.07	5 128.16
Operating profit									2 905.58	1 372.73
Minority interest									.00	.00
Other unallocable income									.00	295.65
Income Taxes									-99.10	(619.37)
Exceptional item									.00	.00
Net Profit									3 004.68	753.36
Other information										
Segment Assets	2 16 026.72	91 370.17	2 48 990.98	1 04 502.35	1 82 696.29	1 17426.74	.00	.00	6 47 713.99	3 13 299.26
Unallocated assets									(21708.97)	(3831.09)
Total assets									6 26 005.02	3 09468.17
Segment Liabilities	1 82 491.24	82 590.87	2 29 897.04	91 493.87	1 68 782.65	1 03057.81	.00	.00	5 81 170.93	2 77 142.55
Unallocated liabilities									6 422.14	10 236.35
Capital reserves & Surplus									38 411.95	22 089.27
Total liabilities									6 26 005.02	3 09 468.17

Part.B Geographic Segments						
	Domestic		International		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue	44 857.79	24 269.13	327.25	448.30	45 185.04	24 717.43
Assets	6 11 587.18	2 99 875.18	14 417.84	9 592.99	6 26 005.02	3 09 468.17

Previous year figures were re-grouped wherever necessary.

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9.6 RELATED PARTY DISCLOSURE (AS 18)

Names of the Related Parties and their relationship with the Bank:

a) **Subsidiaries :**
   i) Ind Bank Housing Ltd.
   ii) Indbank Merchant Banking Services Ltd.

b) **Associates : (Regional Rural Banks)**
   i) Tamilnadu Grama Bank
   ii) Saptagiri Grameena Bank
   iii) Puduvai Bharathiar Grama Bank

c) **Joint Ventures:**
i) Universal Sampo General Insurance Company Ltd
ii) ASREC (India) Ltd

d) **Key Managerial Personnel:**

Ms. Padmaja Chunduru	Managing Director & Chief Executive Officer (Wef 21.09.2018)
Shri M K Bhattacharya	Executive Director (w.e.f. 18.02.2017 upto 30.11.2020)
Shri Shenoy Vishwanath V	Executive Director (w e f 01.12.2018)
Shri K Ramachandran	Executive Director (w.e.f 01.04.2020)
Shri.Imran Amin Siddiqui	Executive Director (w.e.f. 10.03.2021)

d) **Shareholding of non-executive Directors:**

Sl No.	Name of the non-executive Director	No. of equity shares held
1	Shri Bharath Krishna Sankar	300
	TOTAL	**300**

Related Party Transactions are as under:

Remuneration paid to Key Management Personnel during the year ₹. 102.52 lakhs (Previous year ₹.98.16 lakhs)

	2020-2021	2019-20
Shri Mahesh Kumar Jain, MD & CEO Salary & Emoluments Paid (01.04.17 to 03.04.17)	-	6.00 lakhs
Ms. Padmaja Chunduru, MD & CEO Salary & Emoluments Paid (01.04.2020 to 31.03.2021)	30.46 lakhs	31.70 lakhs
Shri Subramania Kumar Salary & Emoluments Paid	-	2.00 lakhs
Shri A S Rajeev, Executive Director Salary & Emoluments Paid (01.04.2018 to 30.11.2018)	-	2.66 lakhs
Shri M K Bhattacharaya Executive Director Salary & Emoluments Paid (01.04.2020 to 30.11.2020)	18.16 lakhs	28.52 lakhs
Shri Shenoy Vishwanath V Executive Director Salary & Emoluments Paid (01.04.2020 to 31.03.2021)	26.22 lakhs	27.28 lakhs
Shri. K Ramachandran, Executive Director Salary & Emoluments Paid (01.04.2020 to 31.03.2021)	26.21 lakhs	-

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Shri. Imran Amin Siddiqui, Executive Director Salary & Emoluments Paid (10.03.2021 to 31.03.2021	1.47 lakhs	-

Parties with whom transactions were entered during the year
No disclosure is required in respect of related parties, which are "State-controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

9.7. Leases (AS 19)

a) The properties taken on lease / rental basis are renewable / cancellable at the option of the Bank.

b) The leases entered into by the Bank are for agreed period with an option to terminate the leases even during the currency of lease period by giving agreed calendar month notice in writing.

c) Lease rent paid for operating leases are recognized as an expense in the Profit & Loss account in the year to which it relates. The lease rent recognized during the year is ₹.441.04 Crore (Previous year ₹. 225.85 Crore).

d) Finance Lease : An asset acquired on finance lease comprises land and building. The leases have a primary period, which is fixed and non-cancellable. The Bank has an option to renew the lease for a secondary period.

The minimum lease rentals and the present value of minimum lease payments in respect of assets acquired under finance lease are as follows:

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Payable not later than 1 Year	0	0	0	0
Payable later than 1 year and not later than 5years	0	0	0	0
Payable later than 5 Years	0	0	0	0
Total	0	0	0	0
Less:Future finance charges				
Present value of minimum lease payments	0	0	0	0

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9.8. EARNINGS PER SHARE (AS 20)

Particulars	2020-21	2019-20
Net Profit after tax available for equity shareholders (₹ Crore)	3004.68	753.36
Number of Equity Shares	1129366570	608800580
Weighted Number of equity shares	1129366570	525852645
Basic Earning Per Share (in ₹.)	26.61	14.33
Diluted Earning per share (in ₹.)	26.61	14.33
Nominal value per Equity Share (in ₹.)	10.00	10.00

9.9 ACCOUNTING FOR TAXES ON INCOME (AS 22)

a) Current Tax-

During the current year, considering the accumulated losses of erstwhile Allahabad bank, Bank has not created provision for income tax for domestic operations. Provision for income tax made in foreign branches amounting to ₹. 10.56 Crore during the current year. The Current Tax for domestic operations has been calculated in accordance with the provisions of Income Tax Act 1961..

b) Deferred Tax

The Bank has a net DTA of ₹.2844.49 crore (Previous Year net DTA of ₹.744.20 crore), which comprises of Deferred Tax Liabilities (DTL) of ₹.949.89 crore (Previous ₹. 584.06 crore) included under 'Other Liabilities and Provisions' and Deferred Tax Assets (DTA) of ₹.3794.38 crore (Previous Year 1328.26 crore) included under 'Other Assets'. The major components of DTA and DTL is given below:

(Amount of ₹ in Crore)

Deferred Tax Assets		31.03.2021	31.03.2020
1	Liabilities provision allowable on payment /crystallisation	208.53	67.70
2	FCTR (Foreign Currency Translation Reserve)	105.29	109.15
3	Provision for GRATUITY	0.09	0.12
4	Provision for bad debts	3076.11	1006.58
5	Provision for restructured assts, AQR, S4A, Stressed Assets	328.67	70.66
6	Depreciation on Fixed Assets	75.69	73.87
7	Provision for Head Office Expenses	0.00	0.18
	Total DTA	**3794.38**	**1328.26**
Deferred Tax Liabilities			
1	Depreciation on Fixed Assets	44.41	38.51
2	Provision for written off accounts	363.15	363.15
3	Staff welfare retrieval	4.11	4.11
4	Special Reserves U/s.36(1)(viii) of Income Tax Act 1961	538.22	178.29
	Total DTL	**949.89**	**584.07**
	Net DTA / (DTL)	**2844.49**	**744.20**

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9.10 Financial Reporting of interests in Joint Ventures (AS-27)

Accounting Standard – 27 'Financial Reporting of Interests in Joint Ventures'

Investments include ₹142.50 crore representing Bank's interest in the following joint controlled entities:

Name of Entity	Country/Residence	Relationship	Ownership interest	Amount of shareholding (₹.in crore)
Universal Sampo General Insurance Company Ltd	India	Joint Venture	28.52%	105.00
ASREC (India) Ltd	India	Joint Venture	38.26%	37.50

As required by AS 27, the aggregate amount of the assets, liabilities, income, expenses, contingent liabilities and commitments related to the Bank's interests in jointly controlled entities are disclosed as under:

Particulars	As at 31st March 2021
Liabilities	
Capital & Reserves	349.28
Deposits	-
Borrowings	28.44
Other Liabilities & Provisions	1032.28
TOTAL	1410.00
Assets	
Cash and Balances with RBI	0.09
Balances with Banks and money at call and short notice	22.72
Investments	1109.29
Advances	-
Fixed Assets	12.88
Other Assets	264.99
TOTAL	1410.00
Capital Commitments	-
Other Contingent Liabilities	48.58
Income	
Interest earned	3.73
Other Income	452.68
TOTAL	456.41
Expenditure	
Interest expended	1.36
Operating expenses	434.74
Provisions & Contingencies	5.28
TOTAL	441.38
Profit	15.03

- **During Financial year 2019-20 Indian Bank had no Joint Ventures, therefore no previous year figures have been given**

9.11 Impairment of Assets (AS-28)

In the opinion of the Bank's Management, there is no indication of impairment to the assets during the year to which Accounting Standard 28 – "Impairment of Assets" applies.

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10.1 Provisions and Contingencies

(Amount ₹ in crore)

	Break-up of 'Provisions & Contingencies' shown under the head Expenditure in Profit and Loss Account :	2020-21	2019-20
i)	Provision for depreciation on investments	429.06	391.30
ii)	Provision towards NPA	7318.46	4335.84
iii)	Provision made towards Income Tax	-99.10	619.37
iv)	Other Provisions and contingencies with details **Particulars** **2020-21** **2019-20** 1. Standard Advances 469.40 142.94 2. Restructured Advances: -1.68 -47.75 3. Others 274.83 302.98	742.55	398.17
	Total	**8390.97**	**5744.68**

10.2 Floating Provisions: (Amount ₹ in crore)

	Particulars	2020-21	2019-20
(a)	Opening balance in the floating provisions account	46.76	46.76
(b)	The quantum of floating provisions made in the accounting year		0.00
©	Amount of draw down made during the accounting year		0.00
(d)	Addition on amalgamation	24.00	
(d)	Closing Balance in the floating provisions account	70.76	46.76

10.3 Draw Down from Reserves: (Amount ₹ in crore)

Sl. No.	Reserves	Amount drawn		Purpose
		2020-21	2019-20	
1	Revaluation Reserve	142.87	107.20	Depreciation on revalued portion on Premises*

* For the year 2019-2020, the amount was credited to Revenue Reserve A/c as per the provisions of AS10 Standards

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10.4 Customer Complaints:

SL.NO		Particulars	Current year (combined entity) 2020-21	Previous year 2019-20
1.		Number of complaints pending at beginning of the year *	16804*	5493
2.		Number of complaints received during the year	321876	429068
3.		Number of complaints disposed during the year	326846	418385
	3.1	Of which, number of complaints rejected by the bank	351	409
4		Number of complaints pending at the end of the year	11834	16176
5.		Number of maintainable complaints received by the bank from OBOs	4896	4766
	5.1	Of 5, number of complaints resolved in favour of the Bank by BOs	4795	4380
	5.2	Of 5, number of complaints resolved through conciliation / mediation / advisories issued by BOs	466	215
	5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank.	0	0
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

* Includes complaints pending at e-AB

__Top five grounds of complaints received by the Bank from customers:__

Grounds of which complaints (i.e complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current year					
ATM debit card	2341	139288	- 55	4815	350
Internet /mobile / electronic banking	13637	124969	+26	6150	2649
Loan & advances	1	4084	+ 440	113	31

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Account opening / difficulty in operation of the account	12	1605	+ 915	63	9
Credit cards	3	1137	+19	0	0
Others	810	51183		693	209
Total	16804*	321876		11834	3248
Previous year					
ATM/Debit cards	4540	311591	+ 13	2341	0
Internet / mobile / electronic banking	859	99032	+257	13637	0
Credit card	7	949	- 26	3	0
Loans and Advances	5	756	+18	1	0
Account opening / difficulty in operation of the accounts	0	158	-82	12	0
Others	82	16582		182	
Total	5493	429068		16176	

* Includes complaints pending at e-AB

10.5 Letter of comfort issued by the Bank:

During the year ended 31.03.2021, branches in India have not issued any letter of comfort for financing of imports. Outstanding as on 31.03.2021 is NIL. Hence no financial impact on outstanding LOC/LOU

During the year ended 31.03.2021, Letter of Comfort issued by our foreign branches(Singapore and Colombo) is NIL and Outstanding as on 31.03.2021 is NIL

In view of the Letter of Responsibility given by the Bank to the Monetary Authority of Singapore, the Bank continues to maintain deposits from FCNR (B) resources to the extent of USD 43.00 Mio (equivalent to INR 314.37 crore) with Singapore Branch to meet the minimum Net Adjusted Capital funds requirement of the Branch.

We have issued LOU for Sri Lankan branches favoring Central Bank of Sri Lanka (CBSL)as per the mandatory requirement of CBSL. We do not anticipate any financial impact in immediate near future on account of LOU issued

10.6 Provision Coverage Ratio (PCR)

Non-Performing Loan Provisioning Coverage Ratio is 82.12% (previous year 73.05%)

10.7 BANCASSURANCE BUSINESS

The Commission from Bancassurance Products was hitherto accounted on realization basis and has been changed to Accounting on Accrual basis from this financial year 2020-21.

During the current year, the Bank has earned commission income to the extent of ₹ 63.97 Crore on sale / marketing of various Bancassurance /Mutual Fund products against previous year income of ₹ 20.44 Crore.

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Due to change in accounting policy to Accrual basis of accounting the commission income is more by ₹ 5.69 crore.

(Amount of ₹ in Crore)

Sr No.	Nature of Income	2020-2021	2019-2020
1	From Distribution of Life Insurance Policies	38.43	8.88
2	From Distribution of Non-life insurance policies	18.53	11.43
3.	From Distribution of Health insurance policies	6.33	
4	Others – From Distribution of Mutual Fund Products	0.98	0.15
	Total	**63.97**	**20.44**

10.8 Indian Bank Trust for Rural Development

Indian Bank Trust for Rural Development has been set up by the Bank on 22.09.2008 to exclusively focus on rural development and accomplish better results by coordinating with various other players / agencies who are also engaged in the development of rural areas and erstwhile Allahabad Bank has Allahabad Bank Rural Development Trust (ABDRT) for the same purpose.

As per GOI notification, erstwhile Allahabad Bank has been amalgamated with Indian Bank w.e.f. 01.04.2020.

The Trust accounts of both IBTRD and ABDRT are duly audited by qualified Chartered Accountants. The process of amalgamation of Indian Bank Trust for Rural Development (IBTRD) and Allahabad Bank Rural Development Trust (ABRDT) is under progress and all the assets and liabilities of ABTRD will be transferred to IBTRD.

Currently IBTRD is running a total of 37 Rural Self-Employment Training Institutes (RSETIs), 42 Financial Literacy Centres (FLCs) and 5 Centres for Financial Literacy (CFLs) with pan-India presence.

The books of account of the Trust are being subjected to audit, independently by the Chartered Accountants appointed by the Trust

PROVISIONAL INCOME AND EXPENDITURE OF IBTRD FOR THE YEAR 2020-21 *

Details of Receipts	Amount in ₹
Contributions received from Bank	20000000
Building Fund received from Bank	0
Opening Balance in the Trust account (including ABRDT)	18699277
Bank interest earned	948647
Training cost reimbursement received from various agencies	65218824
Unspent amount recredited by RSETIs against advance paid for the month of March 2021	1235686
Total Income	**106102434**
Details of Expenditure	
Expenditure incurred during the year	74438406
Excess of Receipts over payments	31664028

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Closing Balance:	
Bank Balance as on 31.03.2021 (including ABRDT)	31664478
Fixed Deposits	143132005
Ofwhich	
Corpus fund	86000000
Building fund	57132005

Figures are subject to change on final audit of Trust

10.9 Concentration of Deposits, Advances, Exposures and NPAs (As compiled by the Bank)

10.9.1 Concentration of Deposits

(Amount of ₹ in crore)

Particulars	2020-21	2019-20
Total Deposits of twenty largest depositors (domestic only)	33601.39	21720.38
Percentage of Deposits of twenty largest depositors to total Deposits of the Bank	6.35%	8.60 %

10.9.2 Concentration of Advances

(Amount ₹ in crore)

Particulars	2020-21	2019-20
Total Advances to twenty largest borrowers	52342.04	27031.80
Percentage of Advances of twenty largest borrowers to total Advances of the Bank	13.41%	13.13%

10.9.3 Concentration of Exposures

(Amount of ₹ in crore)

Particulars	2020-21	2019-20
Total Exposures to twenty largest borrowers/customers	68813.87	34923.40
Percentage of Exposures of twenty largest borrowers/ customers to Total Exposures of the Bank on borrowers/ customers	12.51%	11.96%

10.9.4 Concentration of NPAs

(Amount of ₹ in crore)

Particulars	2020-21	2019-20
Total Exposures to top four NPA accounts	4021.90	2869.17

10.10 Sector-wise Advances

(Amount of ₹ in crore)

Sl No	Sector	2020-21			2019-20		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	**Priority Sector**						
1	Agriculture and allied activities	78529.90	8735.80	11.12	44869.06	1083.67	2.42
2	Advances to industries sector eligible as priority sector lending	20662.08	3511.92	17.00	11805.40	1368.11	11.59
3	Services	49519.11	4959.00	10.01	25570.39	1186.75	4.64
4	Personal loans	21147.36	1608.61	7.61	13203.29	691.22	5.24
	Sub-total (A)	**169858.45**	**18815.33**	11.08	**95448.14**	4329.75	4.54
B	**Non Priority Sector**						
1	Agriculture and allied activities	203.00	1.93	0.95	0.00	0.00	0.00
2	Industry	109110.62	15851.22	12.50	97945.82	9597.84	9.80
3	Services	47889.06	2910.30	6.07	0	0	
4	Personal loans	48945.52	1299.84	2.65	12495.77	223.25	1.79
5	Others						
	Sub-total (B)	**220458.50**	**19640.01**	8.91	**110441.59**	**9821.09**	8.89
	Total (A+B)	**390316.96**	**38455.35**	9.85	**205889.73**	**14150.84**	6.87

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10.11 Movement of NPAs/Technical Write-off

10.11.1 Movement of NPAs

(Amount of ₹ in crore)

Particulars	2020-21	2019-20
Gross NPAs as on 1st April of 2020 (Opening Balance)	41997.71	13353.45
Additions (Fresh NPAs) during the year	9429.55	5320.50
Sub-total (A)	51427.26	18673.95
Less :		
(i) Up gradations	686.18	308.82
(ii)Amount assigned to ARC	0.00	0.00
(iii) Recoveries (excluding recoveries made from upgraded accounts)	3859.56	1182.68
(iv) Technical/Prudential Write-offs	7531.18	2572.71
iv) Write-offs other than those under (iv) above	894.99	458.90
Sub-total (B)	12971.91	4523.11
Gross NPAs as on 31st March 2021 (closing balance (A-B)	38455.35	14150.84

10.11.2 Technical / Prudential Write-off

(Amount of ₹ in crore)

Particulars	2020-21	2019-20
Opening bal of Technical / Prudential written-off accounts as at 01st April, 2020	23370.02	6463.84
Add: Technical/ Prudential write-offs during the year	7531.18	2572.71
Sub-total (A)	30901.20	9036.35
Less: Recoveries made from previously technical/prudential written-off accounts during the year (B)	731.15	238.77
Closing bal as at 31st March, 2021(A-B)	30170.05	8797.58

10.11.3 In accordance with Asset Quality Review (AQR) undertaken by RBI, the Bank has made additional provisions during the year,
on certain accounts, as advised by RBI .: NIL

10.11.4 Overseas Assets, NPAs and Revenue

(Amount ₹ in crore)

Particulars	2020-21	2019-20
Total Assets	14417.84	9592.99
Total NPAs		
Gross NPA	1240.56	1039.99
Net NPA	798.47	586.41
	302.73	352.57
Total Revenue	327.25	448.30

10.12 Off-balance Sheet SPVs sponsored
(which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas
Nil	Nil

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10.13 Disclosure relating to Securitization: Nil

10.14 Credit Default Swaps: Nil

10.15: Equity:

10.16 Intra Group Exposures:

(Amount ₹ in crore)

Particulars	2020-21	2019-20
Total amount of intra group exposure	1030.85	985.25
Total amount of top 20 intra group exposure	1030.85	985.25
Percentage of intra group exposure to total exposure of the bank on borrowers/customers	0.19%	0.34%
Details of breach of limit on intra group exposures and regulatory action there on, if any	NIL	Nil

10.17. Contingent liabilities include an A/c M/s Nimbus Communications Ltd., Guarantees were issued by Consortium Banks favouring BCCI. BCCI filed suit against Consortium Banks claiming guarantee liability. In the suit, conditional leave to defend was granted on making payment of ₹ 400 Crore, wherein our Bank share is ₹ 100 crore. Remittance of our Bank's share of ₹100 crore was made with the Prothonotary and Senior Master of the Hon'ble High Court of Bombay. The summary suit is pending adjudication before Hon'ble High Court of Bombay.

For this claim against the Bank by BCCI, Bank is having a sum of ₹.32.44 crore as provision under the head 'Provision for Other Contingencies' after taking into consideration a sum of ₹.80.22 crore held as security – margin money as on 31.03.2021

10.18 Transfers to Depositor Education and Awareness Fund (DEAF)

(Amount ₹ in crore)

Particulars	2020-21	2019-2020
Opening balance of amounts transferred to DEAF as on 01.04.2020	1386.90	762.84
Add : Amounts transferred to DEAF during the year 2020-21	596.89	130.46
Less : Amounts reimbursed by DEAF towards claims during the year 2020-21	10.52	9.15
Closing balance of amounts transferred to DEAF up to 31.03.2021	1973.27	884.15

*Opening balance is as per the opening balance sheet of the combined entity

10.19 Foreign Currency Exposure:

The Bank has in place a policy on managing credit risk arising out of unhedged foreign currency exposures of its borrowers .Where there is no natural hedge, forward cover is suggested to customers in respect of import/export transactions. The forward cover will act as Unhedged risk mitigation on exchange risk. While sanctioning the facilities, bank is ensuring that all the exposures (fund based and non fund based including Letter of Comfort / Letter of Undertaking) in foreign

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currencies are covered by forward cover. Request for considering waiver of forward cover if any is considered only at corporate office level. While reviewing the borrowal accounts hedged and unhedged exposure are captured and impact is analyzed in credit proposals.

The Bank has provided a provision of ₹. 9.49 Crore and Capital of ₹ 39.45 Crore for the year ended 31st March 2021 on Unhedged Foreign Currency Exposure to their constituents in terms of RBI Circular dated January 15, 2014

10.20. Frauds reported during the year:

The Bank has reported 219 cases of fraud amounting to ₹.3759.68 Crore during the year 2020-21 as per the details furnished below:

Type of fraud	No. of cases	Amount in Crore
Advance related	61	3691.77
Non-advance related	158	67.91
Total	219	3759.68

The Bank has reported 158 cases of non advance related frauds amounting to ₹.67.91 Crore during the year 2020-21.

Upto 31.03.2021, 1473 cases (cumulative) relating to non-advance related frauds are pending involving amount of ₹.324.39 Crore and the Bank carries a provision of ₹.148.72 Crore against the same after taking into account recoveries made

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11. Qualitative Note on Liquidity Coverage Ratio (LCR): Provisional March 2021

										IB	
	(₹ in Crore)	Jun Q1*	2020-21	Sep Q2*	2020-21	Dec Q3*	2020-21	Mar Q4*	2020-21	Mar Q4*	2019-20
HIGH QUALITY LIQUID ASSETS		Total UnWeighted Value (Average)	Total Weighted Value (Average)	Total UnWeighted Value (Average)	Total Weighted Value (Average)	Total UnWeighted Value (Average)	Total Weighted Value (Average)	Total UnWeighted Value (Average)	Total Weighted Value (Average)	Total UnWeighted Value (Average)	Total Weighted Value (Average)
1	Total High Quality Liquid Assets (HQLA)		129009.32		133143.15		144298.04		148782.78	0.00	61929.24
Cash Outflows											
2	Retail deposits and deposits from Small business customers, of which:	313969.96	30146.26	314857.16	30372.32	318607.14	30706.01	297094.80	28344.60	109093.05	10449.53
(i)	Stable Deposits	25014.66	1250.73	22267.94	1113.40	23094.13	1154.71	27297.59	1364.88	9195.57	459.78
(ii)	Less Stable deposits	288955.30	28895.53	292589.22	29258.92	295513.01	29551.30	269797.21	26979.72	99897.48	9989.75
3	Unsecured wholesale funding	117705.14	52225.16	115948.40	51536.75	129275.49	57563.15	150677.73	69095.30	83760.87	37031.83
(i)	Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.01	0.00	0.00
(ii)	Non operational deposits (all counterparties)	117302.38	51822.40	115948.40	51536.75	129275.49	57563.15	150319.01	68736.60	83488.30	36759.26
(iii)	Unsecured debt	402.76	402.76	0.00	0.00	0.00	0.00	358.70	358.70	272.57	272.57
4	Secured wholesale funding		0.00		0.00		0.00		0.00		0.00
5	Additional requirements, of which	48320.78	5261.05	48695.92	5579.93	49544.17	5896.58	68887.22	23946.87	33306.51	3302.79

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(i)	Outflows related to derivative exposures and other collateral requirements	290.87	290.87	409.25	409.25	636.55	636.55	17804.24	17804.24	42.82	42.82
(ii)	Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	48029.91	4990.18	48286.67	5170.68	48907.62	5260.03	51082.98	6142.63	33263.69	3259.98
6	Other contractual funding obligations	2545.50	2545.50	2835.11	2835.11	2119.21	2119.21	3135.48	3135.48	1803.98	1803.98
7	Other contingent funding obligations	66551.48	2625.45	64143.20	2533.58	57837.80	2253.36	56555.49	2182.93	19916.59	597.50
8	TOTAL CASH OUTFLOWS		92823.42		92862.59		38538.31		126705.18		53185.64
Cash Inflows											
			Total Adjusted Value (3)		Total Adjusted Value (3)		Total Adjusted Value (3)				Total Adjusted Value (3)
9	Secured lending (e.g. reverse repos)	9829.85	0.00	5150.00	0.00	1829.85	0.00	3669.11	0.00	804.36	0.00
10	Inflows from fully performing exposures	11543.69	6170.09	15079.95	8163.50	17950.59	9564.93	21537.54	11521.98	11395.30	6208.36
11	Other cash inflows	7177.65	5667.07	10201.36	8389.80	13500.36	10682.05	28777.66	27356.30	5043.28	5043.28
12	TOTAL CASH INFLOWS	28551.18	11837.15	30431.31	16573.30	33280.80	20246.98	53984.30	38878.28	17242.94	11251.64
21	TOTAL HQLA		129009.32		133143.15		144298.04		148782.78		61929.24
22	TOTAL NET CASH OUTFLOWS		80986.02		76289.40		78291.33		87826.90		41934.00
23	LIQUIDITY COVERAGE RATIO(%)		159.30%		174.52%		184.31%		169.40%		147.68%
	* LCR is based on Daily average										

Ravi Rajan & Co. LLP * Chartered Accountants New Delhi

Liquidity Coverage Ratio

The LCR is designed to promote short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficient high quality liquid resources to survive an acute stress scenario lasting for 30 days. As per the RBI guidelines minimum requirement of LCR for FY 2020-21 on a daily basis is 80%(effect from 01/04/2020) & 90% (effect from 01/02/2020) . The methodology for estimating the LCR is based on RBI guidelines.

The LCR is calculated by dividing the amount of high quality liquid unencumbered assets (HQLA) by the estimated net outflows over a stressed 30 calendar day period. The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities (deposits, unsecured and secured wholesale borrowings), as well as to undrawn commitments and derivatives-related exposures, partially offset by inflows from assets maturing within 30 days.

The bank during the quarter ended March 31, 2021 had maintained average HQLA (after haircut) of ₹. 148782.78 Crore. HQLA primarily includes SLR securities in excess of minimum Statutory Liquidity Ratio (SLR) requirement, the extent allowed under the Marginal Standing Facility (MSF) and the Facility to Avail Liquidity for LCR (FALLCR). Additionally, cash, balances in excess of cash reserve requirement with RBI and the overseas central banks form part of level 1 HQLA. The Daily average LCR of the Indian bank for the quarter ended March 31, 2021 was 169.40%.

The main drivers of LCR of the bank are sufficient high quality liquid assets (HQLAs) to meet liquidity needs of the bank at all times. The weighted cash outflows are primarily driven by unsecured wholesale funding which contributed 54.53% of the total weighted cash outflows. Retail deposits including deposits from small business customers contributed 22.37% of the total weighted cash outflows. The other contingent funding obligations primarily include bank guarantees (BGs) and letters of credit (LCs) issued on behalf of the Bank's clients.

Bank has one significant counterparty in the deposits as on 31.03.2021. The largest depositor contributed 1.16% of total deposits. The total contribution of the top 20 largest domestic depositors as on 31.03.2021 is 6.24% of the total deposits. The significant domestic product / instruments includes Savings deposit, Current deposit and Term deposits which are 31%, 5% and 50% of bank's total liability respectively, the funding from which are widely spread and cannot create concentration risk for the bank.

Bank's Liquidity is managed by the Asset Liability Management Committee (ALCO) and contingency funding plan is in place based on the quarterly stress testing results.

12. MISCELLANEOUS

12.1 Reconciliation and Adjustments

12.1.1 Reconciliation of Inter Branch Account is completed up to 31.03.2021. The Bank through various effective steps has achieved reduction in the old outstanding entries in IBGA. Adjustments of the remaining outstanding entries are in progress. As per the Management, 5747 IBGA credit entries aggregating to ₹. 4.86 Crore are outstanding pertaining to period before 01.03.2009.

12.1.2 In view of the net credit position in respect of un-reconciled entries in the Inter Branch Account outstanding for more than 6 months as on 31.03.2021, no provision is required.

12.1.3 Old outstanding entries, in drafts payable, clearing adjustment, sundries receivable, sundry deposit accounts, etc. and in bank reconciliation relating to Reserve Bank of India and other banks are being regularly reviewed for appropriate adjustments.

12.1.4 Balancing of subsidiary / ledgers, registers and reconciliation with general ledgers are in progress at some branches. In the opinion of the management, consequential financial impact of the above on the accounts will not be significant

12.1.5 The results for year ended March 31, 2021 include the operations of erstwhile Allahabad Bank. Hence the yearly results, assets, liabilities and cash flows of current financial year are not comparable with corresponding figures of previous financial year.

12.1.6 As per information available with the Bank, there is no outstanding dues payable by the Bank to MSME units identified by the Bank, which is pending beyond the time limit prescribed under MSMED Act, 2006 and there have been no reported cases of accepted liability of delayed payments of principal amount or interest thereon for such parties during the year

13. Previous year's figures have been regrouped / reclassified, wherever necessary, to conform to current year's figures.

Ravi Rajan & Co. LLP
New Delhi
Chartered Accountants

Independent Auditors' Report on Standalone Financial Results for quarter and year ended 31st March, 2021 of Indian Bank pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors
Indian Bank
Chennai.

Opinion

1. We have audited the accompanying Statement of Audited Standalone Financial Results of Indian bank ("the Bank") for the quarter ended and year ended 31st March, 2021 ("the Statement"), attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"), except for the disclosures relating to Pillar 3 disclosure as at 31st March, 2021, including Leverage Ratio and Liquidity Coverage Ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Financial Results and have not been audited by us.

   The Statement includes returns for the year ended on that date of:

   i. The Central Office, 78 Zones, Treasury Branch, Top 20 Branches in terms of Advances;

   ii. 3108 Indian Branches audited by Statutory Branch Auditors and

   iii. 4 Foreign branches audited by Local Auditors.

   The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also, in the Balance Sheet, the Profit and Loss Account and Cash Flow Statement are the returns from 3003 (number) Indian branches which have not been subjected to Audit. These unaudited branches accounts for 6.86% of Advances, 25.35 % of Deposits, 8.36 % of Interest income and 30.36 % percentage of Interest expenses.

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the Bank's branch auditors as referred to in paragraph 13 below, these Standalone Financial Results:

   i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at 31st March, 2021, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Financial Results and have not been audited by us; and

   ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India of the net profit and other financial information for the quarter ended 31st March, 2021 as well as for the year ended 31st March, 2021 results.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Results, 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.

Emphasis of Matter:

We draw attention to:

4. Note No. 11 of the Statement on the impact of uncertainties caused by COVID 19 on the future business and financial results and Management's assessment of the same in the prevailing situation. The Management is in the process of evaluating the effect of the uncertainties on an ongoing basis with reference to challenges under the prevailing uncertainties.

5. Note No. 5 to the Statement, that the figures for the quarter and year ended 31st March, 2021 includes figures of erstwhile Allahabad Bank amalgamated with the Bank whereas figures for the corresponding quarter and year ended 31st March, 2020 are of pre-amalgamated Indian Bank and hence the same are not comparable.

6. Note No. 5 on merger of data between Indian Bank and Erstwhile Allahabad Bank carried out during the year and the data migration audit in progress.

Our report is not modified in respect of above matters.

Board of Directors' Responsibility for the Standalone Financial Results:

7. These Standalone Financial Results have been compiled from the related audited Annual Standalone Financial Statements. The Bank's Board of Directors are responsible for the preparation of these Standalone Financial Results that give a true and fair view of the financial position, financial performance and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standard issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines"), judicial pronouncements and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in

accordance with the provisions of the Banking Regulations Act, 1949 for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

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

10. Our objectives are to obtain reasonable assurance about whether the annual Standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual Standalone Financial Results. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    i. Identify and assess the risks of material misstatement of the annual Standalone Financial Results, 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.

    ii. 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 Companies Act 2013, we are also responsible for expressing our opinion on whether the bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

    iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

    iv. Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Results.

11. We communicate with those charged with governance regarding, amongst 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.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

13. We did not audit the financial statements of 3112 (number) branches included in the Standalone Financial Results of the Bank whose financial statements/financial information reflect 60.29 % of advances, 73.65 % of deposits and 51.71 % of Non-performing Assets as on 31st March, 2021 and 39.19 % of revenue for the financial year ended 31st March, 2021.
The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

14. In conduct of our audit, we have taken note of the unaudited returns in respect of 3003 (number) branches certified by the respective branch's management. These unaudited branches cover 6.86 % of advances, 25.35 % of deposits and 11.39 % of Non-performing assets as on 31st March, 2021 and 1.70 % 8.13 % of revenue for the quarter and year ended 31st March 2021.

15. The figures for the quarter ended 31st March 2021 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of full financial year and the published unaudited year to date figures up to the end of the third quarter of the relevant financial year which were subject to limited review by us.

Our opinion is not modified in respect of above matters.

16. The Standalone Financial Results of the Bank for the previous year ended 31st March, 2020 were audited by the joint auditors, two of whom are predecessor audit firms and had expressed unmodified opinion on such Financial Results. Further, the unaudited financial results of the Bank as per Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, for the quarter and six months ended on 30th September, 2020 were reviewed by the joint auditors, two of whom are predecessor audit firms and had expressed their unmodified conclusions on those results.

For K C MEHTA AND CO
Chartered Accountants
FR No. 106237W

Partner CHIRAG BAKSHI
(M. No. 047164)
UDIN: 21047164AAAAEM9291

For SRIRAMAMURTHY & CO
Chartered Accountants
FR No. 003032S

Partner DONDETI TEJA SAGAR
(M. No. 227878)
UDIN: 21227878AAAADO6339

For RAVI RAJAN & CO LLP
Chartered Accountants
FR No. 009073N / N500320

Partner JAYANTH A
(M No. 231549)
UDIN: 21231549AAAACP5550

M/s. P K F Sridhar & Santhanam LLP
FR No. 003990S/S200018

Partner V. KOTHANDARAMAN
(M. No. 25973)
UDIN: 21025973AAAAAZ4107

M/s. G Natesan & Co
FR No. 002424S

Partner K MURALI
(M. No. 024842)
UDIN: 21024842AAAABJ5112

Place of Signature: Chennai
Date of Report: 28th May, 2021

इंडियन बैंक Indian Bank

इलाहाबाद ALLAHABAD

Consolidated Balance Sheet as on 31.03.2021

(Rs in Crores)

Particulars	Sch. No.	As on 31.03.2021	As on 31.03.2020 *
		Audited	Audited
CAPITAL & LIABILITIES			
Capital	1	1129.37	608.80
Reserves & Surplus	2	38328.70	22158.78
Minority Interest	2A	22.60	21.17
Deposits	3	538029.80	260184.40
Borrowings	4	26203.04	20830.31
Other Liabilities & Provisions	5	24400.02	6337.50
Total		**628113.53**	**310140.96**
ASSETS			
Cash & Balances with Reserve Bank of India	6	27545.18	5736.12
Balances with Banks and Money at call and short notice	7	26554.38	8200.35
Investments	8	178292.44	81871.16
Advances	9	364010.24	197887.01
Fixed Assets	10	7392.56	3899.08
Other Assets	11	24318.73	12547.24
Total		**628113.53**	**310140.96**
Contingent Liabilities	12	293606.77	42601.71
Bills for Collection		12620.73	5994.97

*figures of 31.03.2020 pertains to pre- amalgamated Indian Bank financials, hence not comparable with post amalgamated figures as at 31.03.2021

Place: Chennai
Date: 28.05.2021

General Manager - CFO

Padmaja Chunduru
Managing Director & CEO

Imran Amin Siddiqui
Executive Director

K Ramachandran
Executive Director

Shenoy Vishwanath V
Executive Director

DIRECTORS

Sanjeev Kaushik
Government Nominee Director

S K Panigrahy
RBI Nominee Director

Bharath Krishna Sankar
Shareholder Director

STATUTORY CENTRAL AUDITORS

For M/s. K C MEHTA AND CO
Chartered Accountants
FR No. 106237W
Partner CHIRAG BAKSHI
(M. No. 047164)
UDIN: 21047164AAAAEN5045

For M/s. SRIRAMAMURTHY & CO
Chartered Accountants
FR No. 003032S
Partner DONDETI TEJA SAGAR
(M. No. 227878)
UDIN:
21227878AAAADP6730

For M/s. RAVI RAJAN & CO LLP
Chartered Accountants
FR No. 009073N / N500320
Partner JAYANTH A
(M No. 231549)
UDIN: 21231549AAAACQ9519

For M/s. P K F Sridhar & Santhanam LLP
Chartered Accountants
FR No. 003990S/S200018
Partner V.KOTHANDARAMAN
(M. No. 25973)
UDIN: 21025973AAAABA7815

For M/s. G Natesan & Co
Chartered Accountants
FR No. 002424S
Partner K MURALI
(M. No. 024842)
UDIN: 21024842AAAABK8607

इंडियन बैंक Indian Bank
इलाहाबाद ALLAHABAD

Consolidated Profit and Loss Account for Year ended 31.03.2021

(Rs in Crores)

Particulars	Sch No.	Year Ended 31.03.2021	Year Ended 31.03.2020
		Audited	Audited
I. Income			
Interest earned	13	39108.07	21401.28
Other Income	14	6540.47	3325.50
Total		**45648.54**	**24726.78**
II. Expenditure			
Interest expended	15	23438.80	13797.51
Operating Expenses	16	10789.28	4432.70
Provisions & Contingencies		8404.74	5738.49
Total		**42632.82**	**23968.70**
Consolidated Profit/ (loss) for the period attributable to group		**3015.72**	**758.08**
Share of earnings in Associates		134.86	103.95
Consolidated Profit/ (loss) for the period before deducting minorities' interest		**3150.58**	**862.03**
Less: Minority Interest		1.43	0.69
Consolidated Profit/(loss) for the period attributable to the group		**3149.15**	**861.34**
Profit/(Loss) brought forward		556.71	448.73
Add: Adjustments /Set off against Share Premium		41.30	0.00
Balance carried forward to the Balance Sheet		**3747.16**	**1310.07**
IV. Appropriations			
Transfer to			
Statutory Reserves		751.17	188.34
Capital Reserves-Others		47.71	152.16
Investment Fluctuation Reserve		464.91	389.99
Revenue Reserves		1387.34	0.00
Staff Welfare Fund		25.00	15.00
Investment Reserve		0.00	7.87
Proposed Equity Dividend		225.87	0.00
Balance carried to consolidated Balance Sheet		845.15	556.71
Total Appropriations		**3747.16**	**1310.07**
Earnings per Share in Rs. (Basic & diluted)		27.88	16.38

* *Figures of 31.03.2020 are related to pre- amalgamated Indian Bank financials, hence not comparable with post amalgamated financials for the year ended 31.03.2021*

Place: Chennai
Date: 28.05.2021

General Manager - CFO

Padmaja Chunduru
Managing Director & CEO

Imran Amin Siddiqui
Executive Director

K Ramachandran
Executive Director

Shenoy Vishwanath V
Executive Director

DIRECTORS

Sanjeev Kaushik
Government Nominee Director

S K Panigrahy
RBI Nominee Director

Bharath Krishna Sankar
Shareholder Director

STATUTORY CENTRAL AUDITORS

For M/s. K C MEHTA AND CO
Chartered Accountants
FR No. 106237W
Partner CHIRAG BAKSHI
(M. No. 047164)
UDIN: 21047164AAAAEN5045

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FR No. 003032S
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UDIN:
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UDIN: 21025973AAAABA7815

For M/s. G Natesan & Co
Chartered Accountants
FR No. 002424S
Partner K MURALI
(M. No. 024842)
UDIN: 21024842AAAABK8607

SCHEDULE 1 - CAPITAL

(Rs in Crores)

Particulars	As on 31.03.2021	As on 31.03.2020
I. Authorised Capital		
300,00,00,000 Equity Shares of Rs.10/- each	3000.00	3000.00
II. Issued, Subscribed and Paid up:		
a) 99,45,49,600 Equity shares of Rs.10/- each held by Central Government (P.Y. 50,80,80,023 Equity Shares of Rs.10 each)	994.55	508.08
b) 13,48,16,970 Equity Shares of Rs.10/- each held by Public (P.Y. 10,07,20,557 Equity Shares of Rs.10 each)	134.82	100.72
Total	**1,129.37**	**608.80**

SCHEDULE 2 - RESERVES AND SURPLUS

(Rs in Crores)

Particulars	As on 31.03.2021	As on 31.03.2020
Statutory Reserves	8649.75	4694.20
Capital Reserves- Revalaution	5754.97	2987.84
Capital Reserve -Others	962.79	388.55
Share Premium	857.62	4026.65
Investment Fluctuation Reserve	1031.90	566.99
Investment Reserve	186.38	47.80
Revenue and other Reserves	13369.84	7669.06
Spl. Reserve u/s 36(1) (viii) of Income Tax Act	2181.35	725.52
Spl. Reserve u/s 36(1) (viii)(a) of Income Tax Act	58.20	58.20
Foreign Currency Translation Reserve	421.93	437.26
IRS Reserve	1.91	0.00
Amalgamation Reserve	4006.91	0.00
Profit & Loss account	845.15	556.71
Total	**38328.70**	**22158.78**

SCHEDULE 2 A - MINORITY INTEREST

(Rs in Crores)

Particulars	As on 31.03.2021	As on 31.03.2020
Minority interest on the date on which the parent-subsidiary relationship came into existence	3.27	3.27
Subsequent increase/ decrease	19.33	17.90
Minority interest on the date of balance sheet	22.60	21.17

Ravi Rajan & Co. LLP New Delhi Chartered Accountants

SCHEDULE 3 - DEPOSITS

(Rs in Crores)

Particulars	As on 31.03.2021	As on 31.03.2020
A.I. Demand Deposits		
(i) From Banks	289.29	211.11
(ii) From others	32053.15	13334.92
II. Savings Bank Deposits	195250.29	76609.11
III.Term Deposits		
(i) From Banks	5323.10	4111.94
(ii) From others	305113.97	165917.32
Total A (I,II & III)	**538029.80**	**260184.40**
B.(I) Deposits of branches in India	529222.92	252750.76
(II) Deposits of branches outside India	8806.88	7433.64
Total B (I & II)	**538029.80**	**260184.40**

SCHEDULE 4 - BORROWINGS

(Rs in Crores)

Particulars	As on 31.03.2021	As on 31.03.2020
I. Borrowings in India		
(i) RBI	5032.04	11529.90
(ii) Other Banks	4.95	0.11
(iii) Other Institutions and Agencies	14948.82	6418.86
II.Borrowings outside India	6217.23	2881.44
Total (I & II)	**26203.04**	**20830.31**
Secured Borrowing included in I & II above	5032.04	11529.90

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(Rs in Crores)

Particulars	As on 31.03.2021	As on 31.03.2020
I. Bills Payable	2822.91	494.00
II. Inter-Office adjustments (net)	6228.15	0.00
III. Interest Accrued	1041.93	845.33
IV. Others (including provisions)	14307.03	4998.17
Total	**24400.02**	**6337.50**

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(Rs in Crores)

Particulars	As on 31.03.2021	As on 31.03.2020
I. Cash in hand (including foreign currency notes)	1658.38	1006.08
II.Balances with Reserve Bank of India - (i) in Current Account	25886.80	4730.04
(ii) in Other Accounts	0.00	0.00
Total	**27545.18**	**5736.12**

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

(Rs in Crores)

Particulars	As on 31.03.2021	As on 31.03.2020
I. In India		
(i) Balances with Banks		
(a) in Current Accounts	116.03	8.86
(b) in Other Deposit Accounts	2065.07	721.65
(ii) Money at call and short notice		
(a) with Banks	8900.00	2100.00
(b) with other institutions	0.00	0.00
Total I (i & ii)	11081.10	2830.51
II. Outside India		
(i) in Current Account	1577.68	530.93
(ii) in Other Deposit Accounts	13866.23	4830.26
(iii) Money at call and short notice	29.37	8.65
Total II (i, ii & iii)	15473.28	5369.84
Grand Total (I & II)	26554.38	8200.35

SCHEDULE 8 - INVESTMENTS

(Rs in Crores)

Particulars	As on 31.03.2021	As on 31.03.2020
I. Investments in India		
Gross Investments	181348.95	80991.01
Less : Provision for Depreciation & NPI	5382.93	1290.84
Net Investment	**175966.02**	**79700.17**
(i) Government securities	157952.46	67537.87
(ii) Other approved securities	9.14	2.99
(iii) Shares	996.38	352.07
(iv) Debentures and Bonds	13653.87	6715.55
(v) Investment in Associates	861.55	730.43
(vi) Others	2492.62	4361.26
Total	175966.02	79700.17
II. Investments outside India in		
Gross Investments	2420.90	2268.27
Less : Provision for Depreciation & NPI	94.48	97.28
Net Investment	**2326.42**	**2170.99**
(i) Government securities (including local authorities)	2304.10	2149.37
(ii) Investments in Associates	0.00	0.00
(iii) Other investments(to be specified)		
(a) Shares	0.60	0.44
(b) Debt Securities	21.72	21.18
Total	2326.42	2170.99
Grand Total (I&II)	**178292.44**	**81871.16**

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SCHEDULE 9 - ADVANCES

(Rs in Crores)

Particulars	As on 31.03.2021	As on 31.03.2020
A. (i) Bills Purchased and discounted	2131.69	1453.59
(ii) Cash credits, overdrafts and loans repayable on demand	221263.43	99136.75
(iii)Term Loans	140615.12	97296.67
(iv) Others	0.00	0.00
Total (A)	**364010.24**	**197887.01**
B. (i) Secured by tangible assets (includes advances against book debts)	320789.57	161337.54
(ii) Covered by Bank / Government Guarantees	22887.68	4056.49
(iii) Unsecured	20333.01	32492.98
Total (B)	**364010.24**	**197887.01**
C. I. Advances in India		
(i) Priority Sector	157623.43	90415.79
(ii) Public Sector	64398.78	17991.68
(iii) Banks	169.24	772.91
(iv) Others	131534.31	80515.68
Total (C-I)	**353725.76**	**189696.06**
C. II.Advances outside India		
(i) Due from Banks	4475.58	2254.60
(ii) Due from Others		
(a) Bills Purchased & discounted	771.51	970.27
(b) Syndicated Loans	3526.55	3355.59
(c) Others	1510.84	1610.49
Total (C-II)	**10284.48**	**8190.95**
Total (C-I+C-II)	**364010.24**	**197887.01**

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SCHEDULE 10 - FIXED ASSETS

(Rs in Crores)

Particulars	As on 31.03.2021	As on 31.03.2020
I. Premises		
At cost/ revaluation as per last Balance Sheet (*)	6862.57	3767.79
Additions/ adjustments during the year	4.00	3.63
Deductions during the year	0.00	0.00
Depreciation to date (*)	1246.78	834.04
Net Value	**5619.79**	**2937.38**
IA.Premises under Construction	**1.07**	0.78
II. Other Fixed Assets (including furniture & fixtures)		
At cost as per last Balance Sheet (*)	4158.17	2060.62
Additions during the year	556.66	255.51
Deductions during the year	47.87	51.78
Depreciation to date (*)	3383.29	1543.89
Net Value	**1283.67**	**720.46**
IIA.Leased Assets		
At cost as per last Balance Sheet (*)	552.43	262.37
Additions during the year	0.00	0.00
Deductions during the year including provisions	0.33	0.00
Depreciation to date (*)	64.50	21.91
Net Value	**487.60**	**240.46**
III. Capital-work-in-progress (Leased Assets) net of provisions	**0.43**	**0.00**
Total (I,IA,II,&IIA)	**7392.56**	**3899.08**

(*) Opening Balance of Cost/revaluation and depreciation to date include Assets taken over as part of amalgamation.

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SCHEDULE 11 - OTHER ASSETS

(Rs in Crores)

Particulars	As on 31.03.2021	As on 31.03.2020
I. Inter Office Adjustment (net)	0.00	2044.29
II. Interest accrued	2801.64	1284.83
III. Tax paid in advance/ Tax deducted at source	6655.17	4374.34
IV. Stationery and stamps	46.44	17.62
V. Non-banking assets acquired in satisfaction of claims	51.38	20.26
VI. Deferred Tax assets (Net)	2851.41	748.07
VII.Others	11912.69	4057.83
Total	24318.73	12547.24

SCHEDULE 12 - CONTINGENT LIABILITIES

(Rs in Crores)

Particulars	As on 31.03.2021	As on 31.03.2020
I. Claims against the Bank not acknowledged as debts (Net)	953.37	651.27
II. Liability for partly paid Investments	373.82	400.33
III. Liability on account of outstanding forward exchange contracts	254856.84	20382.57
IV.Guarantees given on behalf of constituents		
(a) In India	17792.78	8930.02
(b) Outside India	379.99	382.63
V. Acceptances, endorsements and other obligations	9394.29	6401.34
VI.Other items for which the bank is contingently liable	9855.68	5453.55
Total	293606.77	42601.71

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SCHEDULE 13 - INTEREST EARNED

(Rs in Crores)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
I. Interest/ discount on advances/ bills	27454.67	15933.12
II. Income on Investments	11170.34	5275.06
III. Interest on balances with Reserve Bank of India and other inter-bank funds	425.71	177.43
IV. Others	57.35	15.67
Total	**39108.07**	**21401.28**

SCHEDULE 14 - OTHER INCOME

(Rs in Crores)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
I. Commission, exchange and brokerage	1117.90	338.67
II. Profit on sale of Investments (net)	2125.53	879.73
III Profit on Revaluation of Investments (net)	0.00	0.00
IV. Profit on sale of land, buildings and other assets (net)	-0.42	0.73
V. Profit on exchange transactions(net)	406.22	202.06
VI. a) Lease finance/ Hire Purchase income	0.04	0.07
b) Income earned by way of dividends etc. from companies and/ or joint ventures abroad/ in India	12.45	12.69
VII. Miscellaneous Income	2878.75	1891.55
Total	**6540.47**	**3325.50**

SCHEDULE 15 - INTEREST EXPENDED

(Rs in Crores)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
I. Interest on deposits	22218.39	12993.56
II. Interest on Reserve Bank of India/ inter-bank borrowings	1048.65	757.95
III. Others	171.76	46.00
Total	**23438.80**	**13797.51**

SCHEDULE 16 - OPERATING EXPENSES

(Rs in Crores)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
I. Payments to and provisions for employees	6411.62	2478.34
II. Rent, taxes and lighting	611.77	318.12
III. Printing and stationery	58.53	30.62
IV. Advertisement and publicity	13.03	8.88
V. (a) Depreciation on Bank's property other than Leased Assets	633.17	313.94
(b) Depreciation on Leased Assets	3.73	0.07
VI. Directors' fees, allowances and expenses	0.77	0.94
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	63.29	34.29
VIII. Law charges	23.66	8.62
IX. Postage, telegrams, telephones, etc.	118.93	51.78
X. Repairs and maintenance	201.76	93.96
XI. Insurance	682.42	286.91
XII. Other expenditure	1966.60	806.23
Total	**10789.28**	**4432.70**

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

The financial statements are prepared by following the going concern concept on historical cost convention unless otherwise stated. They conform to generally accepted accounting principles in India, which comprises statutory provisions, regulatory / Reserve Bank of India guidelines, accounting standards / guidance notes issued by the Institute of Chartered Accountants of India and the practices prevalent in the Banking Industry in India. In respect of foreign branches as per statutory provisions and practices prevailing in the respective countries.

2. USE OF ESTIMATES:

The preparation of financial statements requires the management to make estimates and assumptions for considering the reported assets and liabilities (including contingent liabilities) as on the date of financial statements and the income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

3. CONSOLIDATION PROCEDURE:

a. Consolidated financial statements of the "Bank" (parent and its subsidiaries, its Joint Ventures) have been prepared on the basis of audited financial statements of Indian Bank (parent) and audited financial statements of its subsidiaries viz. (1) Ind Bank Housing Ltd, (2) Indbank Merchant Banking Services Ltd., its Joint Venture viz. (1) Universal Sompo General Insurance Co. Ltd, (2) ASREC (India) Limited after eliminating intra group transactions and unrealized profit/losses and making necessary adjustments except wherever otherwise stated in accordance with accounting standard 27 "Financial Reporting of interest in joint Ventures" issued by the institute of Chartered accountants of India.. The financial statements of the subsidiaries and Joint Ventures are drawn up to the same reporting date of the parent.

b. The Subsidiaries, Joint Ventures and Associates follow Accounting Policies as prescribed by the respective regulatory authorities and as per statutory requirements. In view of such diverse accounting policies required to be followed, the consolidated financial statements have been prepared by adopting the respective accounting policies of the mandated / statutory requirements.

c. The difference between the cost to the parent of its investment in subsidiary entity and the parent's portion of its equity in the subsidiary with reference to the date of acquisition is recognized in the consolidated financial statement as Capital Reserve/Goodwill. The parent's share in the post-acquisition profits/losses is adjusted against the Revenue Reserve.

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d. The minority interests in the net result of the operation and the asset of the subsidiary, represent that part of profit and the net asset attributable to the minorities.

e. Investments in Associates are accounted for under the Equity Method as per Accounting Standard -23 (AS - 23) - "Accounting for Investments in Associates in Consolidated Financial Statements" issued by ICAI based on the audited Financial Statements of the Associates.

4. TRANSACTIONS INVOLVING FOREIGN EXCHANGE:

PARENT:

4.1 Foreign Currency transactions of Indian operations and non-integral foreign operations are accounted for as per Accounting Standard-11 (AS-11) issued by the Institute of Chartered Accountants of India (ICAI).

4.2 Translation in respect of Indian operations:

a) Foreign exchange transactions are recorded at the Weekly Average Rate (WAR) notified by Foreign Exchange Dealers' Association of India (FEDAI).
b) Foreign currency assets and liabilities are translated at the closing rates notified by FEDAI at the year end.
c) Acceptances, endorsements and other obligations and guarantees in foreign currency are carried at the closing rates notified by FEDAI at the year end.
d) Exchange differences arising on settlement and translation of foreign currency assets and liabilities at the end of the financial year are recognized as income or expenses in the period in which they arise.
e) Outstanding forward exchange contracts are disclosed at the Contracted rates, and revalued at FEDAI closing rates, and the resultant effect is recognized in the Profit and Loss account.

4.3 Translation in respect of non-integral foreign operations:

Foreign branches are classified as non-integral foreign operations and the financial statements are translated as follows:

1. Assets and liabilities including contingent liabilities are translated at the closing rates notified by FEDAI at the year end.
2. Income and expenses are translated at the Quarterly Average Closing rate notified by FEDAI at the end of the respective quarter.
3. All resulting exchange differences are accumulated in a separate account "Foreign Currency Translation Reserve" (FCTR) till the disposal of the net investments.

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5. INVESTMENTS

PARENT:

5.1.1 The entire investment portfolio of the Bank is classified in accordance with the RBI guidelines into three categories viz.

- Held To Maturity (HTM)
- Available For Sale (AFS)
- Held For Trading (HFT)

The securities acquired with the intention to be held till maturity are classified under "**HTM**" category. The securities acquired with the intention to trade by taking advantage of short–term price / interest movements are classified as "**HFT**". All other securities which do not fall under any of the two categories are classified under "**AFS**" category.

An investment is classified as Held to Maturity, Available for Sale or Held for Trading at the time of its purchase/acquisition and subsequent shifting is done in conformity with the Regulatory guidelines. Transfer of scrips, if any, from one category to another is done at the lowest of acquisition cost/book value/market value on the date of transfer and depreciation, if any, on such transfer is fully provided for.

Investment in Subsidiaries, Joint Ventures and Associates are classified as Held to Maturity.

Profit on sale of securities under HTM category is first taken to Profit and Loss account and thereafter appropriated to Capital Reserve account (net of taxes and amount required to be transferred to statutory reserves) and loss, if any, charged to Profit & Loss account.

5.1.2 Investments in India are valued in accordance with RBI guidelines, as under:

a) Securities in **HTM** category are valued at acquisition cost except where the acquisition cost is higher than the face value, in which case, such excess of acquisition cost over the face value is amortized over the remaining period of maturity. Any diminution, other than temporary, in value of investments in subsidiaries/joint ventures/Associates which are included under HTM category is recognized and provided. Such diminution is being determined and provided for each investment individually. Investment in units of Venture Capital funds (VCF) / Alternate Investment Fund (AIF) made after 23.08.2006 are classified under HTM category for initial period of 3 years and valued at cost.

b) Investment in Subsidiaries, Joint Ventures and Associates are valued at historical cost. Investment in sponsored Regional Rural Banks (RRB) are valued at carrying cost (i.e Book value).

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c) Investments in **AFS** category are marked to market, scrip-wise and classification wise, at quarterly intervals. Net depreciation, if any, is provided for in the Profit and Loss account while net appreciation, if any, is ignored. The book value of the individual securities does not undergo any change after marking to market.

d) The individual scrips in the HFT category are marked to market at daily intervals. Net depreciation, if any, is provided for in the Profit and Loss account while net appreciation, if any, is ignored. The Book Value of the individual securities in this category does not undergo any change.

Securities in **AFS and HFT** categories are valued as under:

i. Central Government Securities and State Govt. Securities are valued at prices / YTM rates as announced by Primary Dealers Association of India (PDAI) jointly with Fixed Income Money Market and Derivatives Association of India (FIMMDA) / Financial Benchmark India Private Ltd (FBIL).

ii. Other approved securities are valued applying the YTM method by marking up 25 basis points above the yields of the Central Government Securities of equivalent maturity put out by PDAI / FIMMDA/ FBIL periodically.

iii. Equity shares are valued at market price, if quoted. Unquoted equity shares are valued at break-up value (without considering revaluation reserves if any) as per the company's latest balance sheet (not more than one year prior to the date of valuation). Otherwise, the shares are valued at Re. 1 per company.

iv. Preference shares are valued at market price, if quoted; otherwise at lower of the value determined based on the appropriate YTM rates or redemption value.

v. All debentures/bonds, other than those which are in the nature of advances, are valued on the YTM basis.

vi. Treasury bills, Certificate of deposits and Commercial papers are valued at carrying cost.

vii. Units of Mutual Funds are valued at market price, if quoted; otherwise at lower of repurchase price or Net Asset Value (NAV). In case of funds with a lock-in period, where repurchase price / market quote is not available, units are valued at NAV, else valued at cost till the end of the lock-in period.

viii. Investment in units of Venture Capital funds (VCF) / Alternate Investment Fund (AIF) made after 23.08.2006 are classified under HTM category for initial period of 3 years and valued at cost. After period of 3 years from the date of disbursement, it will be shifted to AFS and marked-to-market as per RBI guidelines.

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5.1.3 In respect of investment at Overseas branches, RBI guidelines or those of the host countries whichever are more stringent are followed. In case of those branches situated in countries where no guidelines are specified, the guidelines of RBI are followed.

5.1.4 Non-performing investment (NPI) are identified as stated below, as per guidelines issued by RBI.

a) Securities/Non-cumulative Preference shares where interest/fixed dividend/installment (including maturity proceeds) is due and remains unpaid for more than 90 days.

b) If any credit facility availed by the issuer from the Bank is a Non-performing advance in the books of the bank, investment in any of the securities including preference shares issued by the same issuer would also be treated as NPI and vice-versa. However, if only the preference shares are classified as NPA, the investments in any of the other performing securities issued by the same issuer may not be classified as NPI and any performing credit facilities granted to that borrower need not be treated as NPA.

c) In case of other equity investments, classified as NPI, shares are valued at market price, if quoted and in case it is not quoted, they are valued at Re.1 per company.

d) Investments backed by guarantee of the Central Government though overdue are treated as Non-Performing Asset (NPA) only when the Government repudiates its guarantee when invoked.

e) Investment in State Government guaranteed securities, including those in the nature of 'deemed advances', are subjected to asset classification and provisioning as per prudential norms if interest/ installment of principal (including maturity proceeds) or any other amount due to the Bank remains unpaid for more than 90 days.

5.1.5 Brokerages / Commission / incentive received on subscriptions are deducted from the cost of securities. Brokerage / Commission / Stamp duty paid in connection with acquisition of securities are treated as revenue expenses.

5.1.6 Interest Rate Swap transactions for trading is marked to market at quarterly intervals. The fair value of the total swaps is computed on the basis of the amount that would be received/ receivable or paid/ payable on termination of the swap agreements as on the balance sheet date. Losses arising there from, if any, are fully provided for, while the profit, if any, is ignored

5.1.7 Exchange traded FX Derivatives i.e. Currency Futures, are valued at the Exchange determined prices and the resultant gains and losses are recognized in the Profit and Loss account.

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5.1.8 Premium/interest arising at the inception of forward exchange swap facility of RBI for FCNR (B) dollar deposits is amortized as expense over the period of the swap contract.

5.1.9 Cost of investments is determined based on the Weighted Average Cost method in each category. Investments classified under HTM are carried at acquisition cost as arrived under Weighted Average Cost method and in case the weighted average cost is more than the face value, the premium is amortised over the remaining period of maturity.

5.1.10 Accounting for Repo/Reverse Repo transactions:

All types of repo/reverse repo transactions with RBI including LAF, variable rate term operations, Long term Repo operations (LTRO), MSF and also Market Repo transactions are accounted as per RBI guidelines.

The securities sold and purchased under Repo/Reverse Repo are accounted as Triparty Repo wherein securities are transferred as in the case of normal outright sale/purchase transactions and such movement of securities is reflected using the Repo/Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as Interest expenditure / income, as the case may be. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified under Schedule 7 (Balance with Banks and Money at Call & Short Notice).

<u>**SUBSIDIARY COMPANIES:**</u>

5.2 **Indbank Merchant Banking Services Ltd:**

The investments held by the Company are all long term investments. Long term investments are carried at cost less provision for diminution, other than temporary in nature. The Company has reckoned diminution in value of shares /debentures as permanent in nature by relying on market value of quoted shares and book value / fair value whichever is higher in respect of unquoted shares.

5.3 **Ind Bank Housing Ltd**

Investments are classified into current investments and long term investments. Investments are valued at lower of cost or market value for each investment individually as per NHB guidelines in force.

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6. FINANCIAL ASSETS SOLD TO SECURITISATION COMPANIES (SC) / RECONSTRUCTION COMPANIES (RC)

Parent:

6.1 Security Receipts (SR) issued by SCs/RCs in respect of financial assets sold to them is recognized at lower of redemption value of SRs and Net Book Value of financial assets. SRs are valued at:

(a) SRs issued by SCs/RCs prior to 01.04.2017 at Net Asset Value declared by SCs/RCs on the Balance Sheet date and depreciation, if any, is provided for and appreciation is ignored.

(b) As per amended guidelines issued by RBI with effect from April,01,2017, provisioning requirement on SRs will be higher of

(i) provisioning rate in terms of Net Asset Value declared by the SCs/RCs

(ii) provisioning rate as applicable to the underlying loans, assuming that the loans notionally continued in the books of the bank

6.2 In case of financial assets sold to RC, the valuation and, income recognition is being done as per RBI Guidelines. If the sale is for value lower than the Net Book Value (NBV) (i.e, book value less provisions held), the shortfall is debited to the Profit and Loss account or met out of utilization of Floating provision held, as per extant RBI guidelines.

6.3 If the cash received (by way of initial consideration and /or redemption of security receipts) is higher than the Net Book value of the Non-Performing Asset (NPA) sold to RC, then excess provision is reversed to the Profit and Loss account. The quantum of excess provision reversed to Profit and Loss account is limited to the extent to which cash received exceeds the NBV of the NPA sold.

7 ADVANCES

PARENT:

7.1.1 In accordance with the prudential norms issued by RBI, advances in India are classified into Standard, Sub-Standard, Doubtful and Loss assets borrower-wise.

7.1.2 Provisions are made for non performing advances as under:

a) Sub Standard:

i) A general provision of 15% on the total outstanding

ii) Additional provision of 10% for exposure which are unsecured ab-initio (ie., where realizable value of securities is not more than 10% ab-initio)

b) Doubtful category-1

25 % for Secured portion.

ii) 100% for Unsecured portion.

c) Doubtful Category – 2

i) 40 % for Secured portion.

ii) 100% for Unsecured portion.

e) Doubtful category-3 and Loss advances – 100 %.

7.1.3 Provision is made for standard advances including Restructured / Rescheduled standard advances as per RBI directives.

7.1.4 In respect of foreign branches, income recognition, asset classification and provisioning for loan losses are made as per local requirement or as per RBI prudential norms, whichever is more stringent.
Further,if an asset in the overseas books of the Bank requires to be classified as NPA at any point of time in terms of regulations issued by Reserve Bank of India, then all the facilities granted by the bank to the borrower and investment in all the securities issued by the borrower will be classified as NPAs/NPIs.
However,accounts classified as Non-performing/Impaired assets (NPAs) by host regulators for reasons other than record of recovery, would be classified as NPAs at the time of consolidating financial statements in India and provided for, as required; whereas asset classification of other credit exposures to the same counterparties in other jurisdictions (including India) will continue to be governed by the extant guidelines in the respective jurisdictions.

7.1.5 Advances disclosed are net of provisions made for non-performing assets, DICGC/ ECGC/ CGTMSE claims received and held pending adjustment, repayments received and kept in sundries account, participation certificates, usance bills rediscounted and provision in lieu of diminution in the fair value of restructured accounts classified as standard assets.

8. FIXED ASSETS / DEPRECIATION

8.1 PARENT:

8.1.1 Fixed assets are carried at cost / revalued amount less accumulated depreciation / amortization

8.1.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalized only when it increases the future economic benefits from such assets on their functioning capacity.

8.1.3 Depreciation on buildings (including cost of land wherever inseparable / not segregated) and other fixed assets in India will be provided for on the straight-line method at the rates / useful life, as specified below:

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S No.	Description of fixed assets	Depreciation Rate/ Useful Life
1	Computers	33.33% every year
2	Computer Software forming an integral part of the Computer hardware	33.33% every year
3	Computer Software which does not form an integral part of Computer hardware and cost of Software Development	33.33% every year
4	Automated Teller Machine/ Cash Deposit Machine / Coin Vending Machine	20.00% every year
5	Servers	33.00% every year
6	Network equipment	20.00% every year
7	Other fixed assets	Estimated useful life of major group of assets are as under: Premises : 60 years Safes / Locker / Doors (Steel): 20 years Vehicles : 5 years Furniture and Fixtures : 10 years Cell phones : 1 year

8.1.4 In respect of assets sold / acquired during the year, depreciation will be charged on proportionate basis for the number of days the assets have been put to use / from the Date of capitalization during the year.

8.1.5 Assets costing upto 5000/- will be fully depreciated in the year of purchase.

8.1.6 The revalued asset will be depreciated over the balance useful life of the asset as assessed at the time of revaluation.

The increase in Net Book Value of the asset due to revaluation will be credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Depreciation relatable to revalued component will be charged against revenue expenditure and an equivalent amount will be charged straight away against revaluation reserve and credited to the revenue reserve, as per revised AS 10 issued by ICAI.

8.1.7 In respect of Assets where subsidy is received from Government, the same will be credited to the respective asset account and depreciation will be charged accordingly.

8.1.8 Premium on leasehold land will be capitalized in the year of acquisition and amortized over the period of lease.

8.1.9 Depreciation in respect of fixed assets at foreign branches will be provided as per the practice prevailing in the respective countries.

8.1.10 In respect of Non-Banking Assets, no depreciation will be charged.

Subsidiary Companies :

8.2 Indbank Merchant Banking Services Ltd :
Fixed Assets are stated at historical cost less accumulated depreciation & provision for impairment (if Any). Leased assets (Contracted prior to December 1997) are further adjusted for the balance in Lease adjustment account.

DEPRECIATION

a) On Assets other than given on lease:

In respect of assets other than assets given on lease, the company provides depreciation on the assets on the Straight Line Method (SLM) based on the useful life of the asset as prescribed in Schedule II to the Companies Act, 2013, on pro-rata basis. Software costs are amortised on SLM over a period of three years, from the year of acquisition.

b) On Assets given on lease under discontinuing operations:

In respect of Assets given on lease under discontinuing operation, the Company provides depreciation on the assets in the WDV method on pro-rata basis, the month in which the assets are installed taken as full month. The cost of the Assets given on lease are amortised fully during the Lease period. {In accordance with the Guidance note on Accounting for Leases (revised) issued by the ICAI}. The difference between the statutory depreciation and the annual lease charge is adjusted through the Lease Equalisation, which is adjusted with the lease income.

Indbank Housing Ltd :

8.3 Fixed Assets are capitalized at cost and or stated at cost less deprecation. Depreciation is calculated on written down value method at the rates prescribed in Schedule II to the companies Act, 2013.

9. REVENUE RECOGNITION

9.1 PARENT :

9.1.1 Income and expenditure are generally accounted for on accrual basis, unless otherwise stated.
9.1.2 Income from non-performing assets, Central Government guaranteed assets (where it is overdue beyond 90 days), dividend income, insurance claims,

commission on letters of credit / guarantees issued (other than those relating to project finance), income from wealth management, additional interest / overdue charges on bills purchased, finance charges on credit cards, income on Bank's right to recompense, AMC charges on debit cards are accounted for on realisation basis and locker rent received, income from Bancassurance products are accounted on accrual basis.

9.1.3 In case of overdue foreign bills, interest and other charges are recognised till the date of crystallisation as per FEDAI guidelines.

Subsidiary Companies:

9.2 Indbank Merchant Banking Services Ltd

a. Issue Management Fee and fees for other managerial services - Considered on the completion of assignment.
b. Underwriting Commission and brokerage on distribution of financial products – Considered on receipt of subscription particulars.
c. Brokerages under stock broking operations are accounted on completion of contracts.
d. Interest on overdue lease rentals and hire purchase instalments are accounted for on receipt basis. Since the outstanding amount is fully provided for in the books of accounts, the amounts received are adjusted towards the principal outstanding and balance, if any, towards interest.
e. Dividend income is recognized when the right to receive is established.
f. Annual Maintenance and transaction charges under depository participant operations are considered yearly and on completion of transactions respectively.

9.3 Indbank Housing Ltd:

a) The Company follows National Housing Bank's Prudential Norms for recognition of Income and Provisioning for Non-Performing Assets.
b) Repayment of housing loans is by way of Equated Monthly Instalments (EMIs) comprising of principal and interest. Interest is calculated every half year on the opening balance at the beginning of the respective half year/ year. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI interest payable is recognized every month

10. CREDIT CARD REWARD POINTS

Reward points earned by card members on use of Card facility is recognized as expenditure on such use.

11. NET PROFIT / LOSS

The result disclosed in the Profit and Loss Account is after considering:

- Provision for Non-Performing Advances and / or Investments.
- General provision on Standard Advances

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- Provision for Restructured Advances
- Provision for Depreciation on Fixed Assets
- Provision for Depreciation on Investments
- Transfer to/ from Contingency Fund
- Provision for direct taxes
- Provision for Unhedged Foreign Currency Exposure
- Usual or/and other necessary provisions

12. STAFF RETIREMENT BENEFITS

PARENT:

12.1.1 PROVIDENT FUND

Provident fund is a statutory obligation and in the case of Contributory Provident Fund optees, the Bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to Profit and Loss Account. The fund is managed by Indian Bank Staff Provident Fund Trust.

12.1.2 GRATUITY

Gratuity liability is a statutory obligation as per Indian Bank Employees' Gratuity Fund Rules and Regulations and is provided for on the basis of an actuarial valuation made at the end of the financial year. The gratuity liability is funded by the Bank and is managed by Indian Bank Employees Gratuity Fund Trust.

12.1.3 PENSION

a) Pension liability is a defined benefit obligation under Indian Bank (Employees) Pension Regulations 1995 and is provided for on the basis of actuarial valuation, for the employees who have joined Bank up to 31.03.2010 and opted for pension.

b) New Pension Scheme (NPS) which is applicable to employees who joined bank on or after 01.04.2010 and it is a defined contribution scheme. Under NPS the Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit and Loss Account.

12.1.4 COMPENSATED ABSENCES

Accumulating compensated absences such as Privilege Leave and Sick Leave are provided for based on actuarial valuation.

12.1.5 OTHER EMPLOYEE BENEFITS

Other Employee benefits such as Leave Fare Concession and Additional Retirement Benefit on Retirement are provided for based on actuarial valuation. In respect of overseas branches and offices, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

Subsidiary Companies:

Indbank Merchant Banking Services Ltd

12.2 Short Term employee benefits / obligations are estimated and provided for.

Gratuity – The Subsidiary has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Annual contribution is made to gratuity fund established as a Trust through a Group Gratuity Policy with Life Insurance Corporation of India. The Company's liability towards Gratuity is actuarially determined as at balance sheet date using the Projected Unit Credit (PUC) method. Actuarial gains and losses are recognized in revenue.

Provident Fund – The eligible employees are entitled to receive benefits under Provident Fund, a defined contribution plan in which both employees and the employer make monthly contributions at a specified percentage of the covered employees salary, the contributions as specified under the law are paid to the provident Fund and Pension Fund with Provident Fund Authorities.

Leave encashment – The eligible Leave encashment liability to the employees other than those deputed by Indian Bank has been provided for on the basis of actuarial valuation based on number of days unutilised leave as at each balance sheet date.

The retirement benefit liability to staff on deputation from Parent is borne by the Parent except eligible Provident Fund contribution.

Ind bank Housing Ltd:

12.3 Contribution to Provident Funds is made to the Regional Provident Fund Commissioner.

The Gratuity liability is covered by Trust formed under the Group Gratuity Scheme. The trust has purchased a Group Gratuity policy from LIC and the annual premium is paid through the Trust.

Liability for leave encashment is provided for on actuarial basis.

13. ACCOUNTING FOR LEASES

Lease payments including cost escalation for assets taken on operating lease are recognized in the Profit and Loss Account over the lease term or life whichever is lower.

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14. CONTINGENT LIABILITIES AND PROVISIONS

14.1 Contingent liability: Past events leading to, possible or present obligations are recognised as contingent liability in the following instances where:

(a) The existence of such obligations has not been confirmed
(b) no outflow of resources are required to settle such obligations
(c) a reliable estimate of the amount of the obligations cannot be made
(d) such amounts are not material

14.2 (a) Provision is recognized in case of present obligations where a reliable estimate can be made and/or where there are probable outflow of resources embodying foregoing of economic benefits to settle the obligations, excluding frivolous claims.
(b) Provision for Market Risk, Country Risk, etc., are made in terms of extant instructions of RBI.
(c) Floating provision as identified by the Bank Management is provided for.

Floating provision may be utilized as per extant RBI guidelines, for -

(i) Making specific provisions for non-performing assets;
(ii) Meeting any shortfall in sale of non-performing assets.

15. IMPAIRMENT OF ASSETS

Impairment losses, if any, on Fixed Assets (including revalued assets) are recognized and charged to Profit and Loss Account in accordance with the Accounting Standard 28 "Impairment of Assets". However, an impairment loss on a revalued asset is recognized directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

16. TAXES ON INCOME

16.1 Provision for tax is made for both Current Tax and Deferred Tax.

16.2 Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates, tax laws and favorable judicial pronouncements / legal opinion.

16.3 Deferred Tax Assets and Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and tax laws that have been enacted or substantively enacted till the date of the Balance Sheet. Deferred Tax Assets are not recognized unless there is "virtual certainty" that sufficient future taxable income will be available against which such deferred tax assets will be realized.

17. Discontinuing Operations

In respect of Indbank Merchant Banking Services Ltd accounting policies adopted for discontinued operations are in line with the accounting policies adopted for continuing operations.

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SCHEDULE 18

NOTES ON ACCOUNTS TO CONSOLIDATED FINANCIAL STATEMENTS (2020-21)

1. SUBSIDIARIES:

Sl.No.	Name of the Subsidiary	Country of Incorporation	Proportion of Ownership
a	Ind Bank Housing Ltd	India	51.00%
b	Indbank Merchant Banking Services Ltd	India	64.84%

2. ASSOCIATES:

Sl.No.	Name of the Associates	Shareholding Pattern
a	Tamil Nadu Grama Bank	35%
b	Saptagiri Grameena Bank	35%
c	Puduvai Bharathiar Grama Bank	35%

3. Accounting for Investment in Joint Ventures (As 27)

Name of Entity	Country/Residence	Relationship	Ownership Interest	Amount of shareholding (₹.in cr)
Universal Sampo General Insurance Company Ltd	India	Joint Venture	28.52%	105.00
ASREC (India) Ltd	India	Joint Venture	38.26%	37.50

RECONCILIATION AND ADJUSTMENTS

PARENT:

Reconciliation of Inter Branch Account is completed up to 31.03.2021. The Bank through various effective steps has achieved reduction in the old outstanding entries in IBGA. Adjustments of the remaining outstanding entries are in progress. As per the Management, 5747 IBGA credit entries aggregating to ₹. 4.86 crore are outstanding pertaining to period before 01.03.2009.

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In view of the net credit position in respect of un-reconciled entries in the Inter Branch Account outstanding for more than 6 months as on 31.03.2021, no provision is required.

Old outstanding entries, in drafts payable, clearing adjustment, sundries receivable, sundry deposit accounts, etc. and in bank reconciliation relating to Reserve Bank of India and other banks are being regularly reviewed for appropriate adjustments.

Balancing of subsidiary / ledgers, registers and reconciliation with general ledgers are in progress at some branches. In the opinion of the management, consequential financial impact of the above on the accounts will not be significant

4. FIXED ASSETS

PARENT

4.1 The premises of the Bank include land are stated at revalued amount. The Bank revalued its premises in the financial year 2018-19 at fair market value determined by the approved external valuers. There is an increase of ₹.983.38 Crore in the amount of revaluation of premises, which has been credited to "Revaluation Reserve Account". For the year 2020-21, depreciation amounting to ₹.114.43 crore (Previous Year ₹.110.49 crore) was charged under expenditure and depreciation on revalued portion amounting to ₹.142.87 Crore (previous year ₹. 107.20crore) is adjusted against the "Revaluation Reserve account'.

As per AS 10 Standard, depreciation on revalued assets amounting to ₹. 142.87 crore was also charged under expenditure for the year 2020-21. The same was adjusted against Revaluation Reserve to the credit of Revenue Reserve A/c.

There is a change in the estimated useful life of Fixed Assets. The impact due to the change is increase in depreciation and decrease in net profit for the year ended 31.03.2021 by Rs. 82.38 crores.

4.2 IB Premises:

Premises include 4 properties costing ₹.3.59 crore (Previous year 4 properties costing ₹. 3.59 crore) having original/revalued book value of ₹.45.59 crore (Previous year – ₹.48.04 crore) , net of depreciation at ₹.1.17 Crore (Previous year ₹.1.17 crore) for which registration formalities are pending.

e-AB Premises:

Premises include 5 (3+2*) properties costing ₹.4.79 crore (Previous year – 5 [3+2*] properties costing ₹.4.79 crore), having original/revalued book value of revalued book value of ₹.14.15 crore (Previous Year – ₹.14.32 crore), net of depreciation at ₹.0.23 crore (Previous year – ₹ 0.23 crore) for which registration formalities are pending.

*Property at Hyderabad costing ₹.1.61 crore, where clearance is pending before ULC authority and at Chennai costing ₹.2.32 crore, where Interim stay has been granted by DRAT.

Combined Entity:

Premises include 9 (7+2*) properties costing ₹.8.38 crore (Previous year: 9 (7+2*) properties costing ₹.8.38 crore), having original/revalued book value of ₹.59.74 crore (Previous year – ₹.62.36 crore), net of depreciation at ₹.1.40 crore (Previous year : ₹.1.40 crore) for which registration formalities are pending.

4.3 Draw Down from Reserves:

(Amount of ₹ in crore)

Sl. No.	Reserves	Amount drawn		Purpose
		2020-21	2019-20	
1	Revaluation Reserve	142.87	107.20	Depreciation on revalued portion on Premises*

* For the year 2019-2020, the amount was credited to Revenue Reserve A/c as per the provisions of AS 10 Standards

5. COVID 19 Measures

5.1. The spread of COVID-19 across the globe resulted in declined economic activity and increased volatility in financial markets. Though the calibrated and gradual withdrawal of lockdown by the government had led to resumption of economic activities, the current second wave of COVID 19 pandemic, has resulted in imposition of localised / regional lockdown measures in various parts of the country. In this situation, the challenges continue to unfold and the Bank is gearing itself on all fronts to meet the same and is evaluating the situation on an ongoing basis. The extent to which the COVID-19 pandemic will impact the Bank's results will depend on future developments, to the business environment. Considering the regulatory actions, Government intervention to support the economic recovery, the Bank expects realisable value of the assets not to be significantly impacted

5.2 In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated 27th March, 2020,17th April, 2020 and 23rd May 2020, and clarification issued by RBI through Indian Banks' Association, dated 6th May 2020, the Bank has granted moratorium on the payment of instalments and / or interest, as applicable, falling due between 1st March, 2020 and 31st August, 2020 ('moratorium period') to eligible borrowers classified as Standard, even if overdue, as on 29th February, 2020 without considering the same as restructuring. In accordance with RBI guidelines, the moratorium period, wherever granted, is excluded by the Bank from the number of days past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms. The Bank holds provisions as on 31st March 2021 against the potential impact of COVID-19 based on the information available up to a point in time. Following are the details of such accounts and provisions made by the Bank:

Sr. No.	Particulars	As on 31st March, 2021
1	Advances outstanding in SMA/overdue categories, where the moratorium/ deferment was extended as per COVID-19 Regulatory Package (total outstanding)	NIL
2	Advances outstanding where asset classification benefits is extended (total outstanding)	NIL
3	Provisions made during FY 2020-21	1517.53
4	Provisions adjusted during FY 2020-21	1517.53
5	Total provisions held as on 31.03.2021	NIL

5.3 The Honourable Supreme Court of India, in its interim order dated September 3, 2020 in the Public Interest Litigation case of Gajendra Sharma vs Union of India & Anr has directed Banks that the accounts which were not classified as NPA till August 31, 2020 should not be so classified till further orders of Supreme Court. Pursuant to the order, the Bank did not

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classify any domestic borrowal account which had not been classified as NPA as at August 31, 2020 as per RBI Prudential Norms on Income Recognition, Asset Classification, Provisioning and other related matters, as NPA after August 31, 2020. However, as a matter of prudence, the Bank made an additional provision of ₹ 1517.53 Cr till 31.12.2020 .

In view of the above, and pursuant to the Supreme Court's final order dated March 23, 2021 and in accordance with the instructions of RBI circular dated 07.04.2021 issued in this connection, the Bank has classified these borrower accounts as per extant IRAC norms with effect from 01.09.2020 and utilized the above provisions towards provision on these accounts.

5.4 In accordance with the instructions of RBI Circular dated 07.04.2021 on "Asset Classification and Income Recognition following the expiry of COVID 19 regulatory package", the Bank shall refund / adjust 'interest on interest' charged to all borrowers including those who had availed of working capital facilities during moratorium period i.e. 01.03.2020 to 31.08.2020, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount to be refunded / adjusted for different facilities has been circulated by the Indian Banks' Association (IBA) as required by RBI notification. Accordingly the bank has created an estimated liability of ₹. 230 crore towards interest relief. The bank has reversed the same from interest income.

6. TAXATION

6.1 PARENT

Provision for Income Tax for the year

(Amount ₹ in crore)

	2020-21	2019-20
Provision for Taxation (Income Tax including Deferred Tax)	-99.10	619.37

The disputed income tax demand paid as at 31.03.2021 was ₹.3953.36 Crore (previous year ₹.4129.14 Crore). The same has also been included under contingent liabilities relating to Income Tax of ₹ 7584.17 Crore (previous year ₹.4396.00 Crore) relating to disputed tax matters as at 31.03.2021. No provision is considered necessary for the said disputed demands on account of judicial pronouncements and favorable decisions in Banks' own case.

6.2 SUBSIDIARY COMPANIES:

6.2.1 INDBANK MERCHANT BANKING SERVICES LTD

a) A net provision of ₹.12.54 lakhs for tax has been made in the year.

b) No provision is made for the disputed demands of income tax keeping in view the judicial pronouncements and/or legal opinion on the issues.

c) The provision for deferred tax (net) for the year is ₹.70.49 lakhs (Previous year- ₹.34.15 lakhs) which has been charged to profit & loss account.

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d) Prior period taxes : Nil

6.2.2 INDBANK HOUSING LTD

a. The unabsorbed depreciation and carry forward losses eligible for set-off against future taxable income have not been considered for deferred tax asset on the ground of virtual uncertainty.

b. The Income Tax Department has sent a demand notice for ₹ 4.32 crore for the assessment year 1999-2000 including interest. The demand is raised by considering the income on non-performing assets on accrual basis which, as per the NHB directives, could not be recognized as income. The Company has contested the demand and the matter is pending before the Hon'ble Madras High Court.

7. DISCLOSURES IN RESPECT OF ACCOUNTING STANDARDS

Consolidated Cash Flow statement for the Year ended March 31, 2021		
	(₹ in Crore)	
	Year ended	
	31.03.2021	31.03.2020
Net Profit as per Profit and Loss Account	**3150.58**	**862.02**
Add: Adjustments for :		
Provision for NPA	7318.39	4335.84
Provision for Investment	427.68	391.30
Provision for Standard Assets	469.40	142.94
Provision for Tax	(90.38)	620.22
Other Provisions and Contingencies	279.65	248.18
Depreciation on Fixed Assets	636.90	314.00
Interest on Capital Instrument	643.98	277.68
Loss/(profit) on sale of land and buildings	0.42	(0.73)
Income taxes paid	(19.72)	(790.00)
Profit before working Capital Changes	**12816.90**	**6401.46**
Increase/Decrease in Operating Assets		
(Increase) / Decrease in Investments	(15380.42)	(16640.54)
(Increase) / Decrease in Advances	(30252.79)	(20913.19)
(Increase) / Decrease in Other Assets	(2994.25)	(1895.00)
	(48627.46)	**(39448.73)**
Increase/Decrease in Operating Liabilities		
Increase/(Decrease) in Deposits	49525.72	18143.60
Increase/(Decrease) in Borrowings (other than Capital Instruments)	(7267.38)	8692.77
Increase/(Decrease) in other liabilities	10616.77	(2185.26)
	52875.11	**24651.11**
Net cash generated from operations (A)	**17064.55**	**(8396.17)**
Cash flow from investing activities		
Purchase of fixed assets	(560.44)	(259.16)

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Sale of fixed assets	15.56	11.79
Net cash generated from Investing Activities (B)	(544.88)	(247.37)
Cash flow from Financing activities		
Payment of dividend	-	-
Payment of distribution tax	-	-
Issue of AT-1 Bonds	2000.00	-
Issue of Tier -2 Bonds	2000.00	-
Redemption of AT-1 Bonds	(500.00)	-
Redemption of Tier-2 Bonds	(1000.00)	-
Interest on Capital Instrument	(631.94)	(277.07)
Capital Received towards Share	-	2829.49
Amount paid to e-AB Shareholder (for fraction part)	(2.51)	-
Net cash generated from financing activities (C)	**1865.55**	**2552.42**
Cash & cash equivalents received on account of amalgamation (D)	**21777.86**	**-**
Net increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)+(D)	**40163.08**	**(6091.12)**
cash and cash equivalents at the beginning of the year		
cash in hand (including foreign currency notes)	1006.09	1030.76
Balances with Reserve Bank of India - in current Account	4730.04	10671.11
Balances with Banks		
(a) in current Accounts	8.86	4.34
(b) in other deposit accounts	721.65	717.14
Money at Call and short notice with Banks	2100.00	2200.00
Balances with Banks outside India		
(a) in current Accounts	530.93	203.66
(b) in other deposit accounts	4830.26	5168.47
Money at call and short notice	8.65	32.12
	13936.48	**20027.60**
Cash & Cash equivalents at the end of the year		
cash in hand (including foreign currency notes)	1656.38	1006.09
Balances with Reserve Bank of India - in current Account	25886.80	4730.04
Balances with Banks		
(a) in current Accounts	116.03	8.86
(b) in other deposit accounts	2065.07	721.65
Money at Call and short notice with Banks	8900.00	2100.00
Balances with Banks outside India		
(a) in current Accounts	1577.68	530.93
(b) in other deposit accounts	13866.23	4830.26
Money at call and short notice	29.37	8.65
	54099.56	**13936.48**
Difference in Opening and closing cash and cash equivalents	40163.08	(6091.12)

Notes:

- Figures of the previous period have been regrouped wherever considered necessary to conform to current period classification

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- The Cash flow statement for the year ended March 31, 2021 has been prepared by Indirect Method after giving effect of amalgamation in the Balance Sheet for the year ended 31.03.2021

8. Property, Plant and Equipment (AS-10)

During the year, the depreciation on revalued portion of the fixed assets is charged to profit and loss account as against charge to revaluation reserves during the previous financial years to comply with the change in Accounting Standard (AS-10). This has the effect of increase in the expenses by ₹.142.87 crore and lowering the net profit by ₹.142.87 crore.

9. EMPLOYEE BENEFITS (AS 15)

9.1. PARENT

9.1.1 Defined Contribution Plans:

Provident fund is a statutory obligation and in the case of Contributory Provident Fund Optees, the Bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to Profit and Loss Account. The fund is managed by Indian Bank Staff Provident Fund Trust. During the financial year 2020-21, the Bank has contributed ₹ 1.07 crore (previous year ₹.0.56 cr)

New Pension Scheme (NPS) is applicable to employees who joined bank on or after 01.04.2010 and it is a defined contribution scheme. Under NPS the Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit and Loss Account. During the financial year 2020-21, the Bank has contributed ₹. 153.31 crore (previous year ₹.58.41 cr)

9.1.2 Defined Benefit Plans:

The summarized position of Post-employment benefits and long term employee benefits recognised in the Profit & Loss Account and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) are as under:

The following table sets out the basis of the Defined Benefit Pension Plan and Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Bank

PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]	31/03/2021	31/03/2020
Discount Rate -G-Sec Rate	6.87% for Pension – 15 year G-Sec Paper 6.44% for Gratuity – 10 year G-Sec Paper	6.89% for Pension – 15 year G-Sec Paper 6.82% for Gratuity – 10 year G-Sec Paper
Salary escalation rate	6.00% (includes 0.50% for wage revision)	6.00% (includes 0.50% for wage revision)
Attrition rate	1.00% for Pension and 2.00% for Service Employees	1.00% for Pension and 2.00% for Service Employees

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Expected rate of return on Plan Assets *	6.89% for Pension and 6.86% for Gratuity	8.05% for Pension and 7.74% for Gratuity
Method used	Projected Unit Credit (PUC) actuarial Method	

* Expected Rate of return on Plan Assets not applicable for Leave encashment.

The estimates of future salary increases are considered taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market and in tandem with Funding Guidelines for Superannuation Schemes communicated by IBA. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible.

Mortality table: Indian Assured Life Mortality (2012-14) ultimate

The liabilities of leave encashment are unfunded.

II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES:	**Pension Fund**		**Gratuity**		**Leave Encashment**	
	2020-21	**2019-20**	**2020-21**	**2019-20**	**2020.21**	**2019-20**
PVO as at the beginning of the year	**13995.78**	**6520.32**	**1868.46**	**923.85**	**826.09**	**188.20**
Interest Cost	914.67	425.49	120.53	62.84	53.97	13.93
Current service cost	229.80	96.47	105.33	46.31	174.38	20.03
Past service cost – recognised / vested benefits	0	0.00	0	0.00	0	0.00
Past service cost – unrecognised / non-vested benefits	0	0.00	0	0.00	0	0.00
Benefits paid	-1363.65	-689.59	-223.04	-165.24	-69.4	-17.77
Actuarial loss/ (gain) on obligation	1542.88	-449.26	-23.06	61.23	-7.62	-5.90
PVO as at the end of the year	**15319.48**	**6801.95**	**1848.22**	**928.98**	**977.42**	**210.29**

III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:	**Pension Fund**		**Gratuity**		**Leave Encashment**	
	2020-21	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Fair value of plan assets as at the beginning of the year	**13918.80**	**6418.93**	**1929.03**	**923.85**	**0**	**0.00**

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Expected return on plan assets	1104.42	508.32	126.42	65.44	0	0.00
Contributions	1495.93	446.42	50.7	69.64	215.94	17.77
Benefits paid	-1363.65	-689.59	-223.04	-165.24	-215.94	-17.77
Actuarial gain/(loss) on plan assets	-193.89	13.33	14.15	2.71	0	0.00
Fair value of plan assets as at the end of the year	**14961.61**	**6697.41**	**1897.26**	**896.40**	**0**	**0.00**

*Data not available

IV. ACTUAL RETURN ON PLAN ASSETS	**Pension Fund**		**Gratuity**		**Leave Encashment**	
	2020-21	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Expected return on plan assets	1104.42	508.32	126.42	65.44	0.00	0.00
Actuarial gain / (loss) on plan assets	-193.39	13.33	14.15	2.71	0.00	0.00
Actual return on plan assets	910.53	521.65	140.57	68.15	0.00	0.00

V. ACTUARIAL GAIN / LOSS RECOGNISED	**Pension Fund**		**Gratuity**		**Leave Encashment**	
	2020-21	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Actuarial gain / (loss) for the year - Obligation	-1542.88	-449.25	+23.06	-24.74	7.62	5.90
Actuarial gain / (loss) for the year – due to financial assumption changes in DBO	0	0.00	0	-36.48	0	0.00
Actuarial gain / (loss) for the year- Plan Assets	-193.89	13.33	+14.15	2.71	0	0.00
Total gain / (loss) for the year	-1736.77	-435.92	+37.21	-58.51	7.62	5.90
Actuarial gain / (loss) recognised in the year	-1736.77	-435.92	+37.21	-58.51	7.62	5.90
Unrecognised actuarial gain / (loss) at the end of the year	0	0.00	0	0.00	0	0.00
Actuarial gain / (loss) for the year - Obligation	-1736.77	-435.92	+37.21	-58.51	7.62	5.90

VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSIS	Pension Fund		Gratuity		Leave Encashment	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Present value of the obligation	15319.48	6801.96	1848.22	928.98	977.42	210.29
Fair value of plan assets	14961.61	6697.41	1897.26	890.40	0	0
Difference - Net (Liability) / Asset recognized in Balance Sheet	-357.87	-104.55	49.04	-32.58	977.42	-210.29
Unrecognised transitional liability	0	0.00	0.00	0.00	0	0
Unrecognised past service cost	0	0.00	0.00	0.00	0	0
Liability recognised in the balance sheet	-357.87	-104.55	**49.04**	**-32.58**	977.42	210.29

VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:	Pension Fund		Gratuity		Leave Encashment	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Current service cost	229.79	96.47	105.33	46.31	174.38	20.03
Interest Cost	914.67	425.49	120.53	62.84	53.97	13.93
Expected return on plan assets	-1104.42	-508.32	-126.42	-65.44	0.00	0.00
Net actuarial (gain)/loss recognised in the year	1736.77	435.93	-37.21	58.51	7.62	5.90
Transitional Liability recognised in the year	0.00	0.00	0.00	0.00	0.00	0.00
Past service cost - recognised	0.00	0.00	0.00	0.00	0.00	0.00
Expenses recognised in the statement of profit and loss	1776.82	**449.57**	**62.23**	**102.22**	220.73	**39.86**

VIII. MOVEMENTS IN THE LIABILITY RECOGNISED IN THE BALANCE SHEET	Pension Fund		Gratuity		Leave Encashment	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
		IB		IB		IB
Opening net liability	-76.98	-101.39	60.57	-13.19	-826.09	-188.21
Expense as above	-1776.82	-449.58	-62.23	-89.02	-220.73	-39.86
Contribution paid	1495.93	446.42	50.7	69.64	69.4	17.77
Closing net liability	-357.87	**-104.55**	**49.04**	**-32.58**	977.42	**-210.30**

IX. EXPERIENCE ADJUSTMENTS ON PLAN ASSETS/LIABILITIES (ii) Previous Years 2016-21 - Pension	Year ended					
	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020	31.03.2021
Present Value of obligation	5608.14	5925.15	6245.89	6520.32	6801.96	15319.48
Plan Assets	5508.95	5841.36	6146.80	6418.93	6697.41	14961.61
Surplus/ (Deficit)	-99.19	-83.79	-99.09	-101.39	-104.55	357.87
Experience adjustments on plan liabilities- (loss) / gain	-384.40	-626.82	-704.39	-335.65	-449.25	1542.88
Experience adjustments on plan assets- (loss) / gain	-7.61	27.73	10.93	-8.58	13.32	193.89

IX. EXPERIENCE ADJUSTMENTS ON PLAN ASSETS/LIABILITIES (iii) Previous Years 2016-21 - Gratuity	Year ended					
	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020	31.03.2021
Present Value of obligation	831.94	900.90	964.99	923.85	928.98	1848.22
Plan Assets	829.38	876.81	932.55	910.66	896.4	1897.26
Surplus/ (Deficit)	-2.56	-24.09	-32.44	-13.19	-32.58	49.04
Experience adjustments on plan liabilities- (loss) / gain	-24.2	-87.34	-36.2	-2.11	-61.22	23.06
Experience adjustments on plan assets- (loss) / gain	-1.66	-1.36	22.12	-0.38	2.71	14.15

IX. EXPERIENCE ADJUSTMENTS ON PLAN ASSETS/LIABILITIES (iii) Previous Years 2016-21 - Leave Encashment	Year ended					
	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020	31.03.2021
Present Value of obligation	161.63	171.21	179.51	188.21	210.29	977.42
Plan Assets0	0	0	0	0	0	0
Surplus/ (Deficit)	-161.63	-171.21	-179.51	-188.21	-210.29	977.42
Experience adjustments on plan liabilities- (loss) / gain	-100.37	-3.01	10.18	7.58	17.71	7.62
Experience adjustments on plan assets- (loss) / gain	0	0	0	0	0	0

X. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)	2020-21		2019-20	
	Pension Fund	Gratuity Fund	Pension Fund	Gratuity Fund
Government of India Securities and State Government Securities	36.76%	28.00%	55.00%	0.00%
High Quality Corporate Bonds /PSU BONDS	15.64%	12.98%	40.00%	0.00%
Special Deposit Scheme	0.06%	0.00%	1.00%	-
Funds managed by Insurer	47.21%	58.60%	4.00%	100.00%
Private Sector Bonds	0.33%	0.42%	-	-
Money Market	-	-	-	-
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

(Amount of ₹ in crore)

XI. CONTRIBUTION DURING NEXT YEAR **	Pension Fund	Gratuity Fund	Earned Leave
Enterprises best estimate of contribution during next year	1400	50	240

9.1.3 Other Long Term Employee Benefits

Amount of ₹. 50.12 crore (previous year ₹. 3.71 crore) has been provided towards Long Term Employee Benefits as per the actuarial valuation by the independent Actuary appointed by the Bank and is included under the head "Payments to and Provisions for Employees" in Profit and Loss Account.

Details of additional Provisions made / (written back) for various long Term Employee Benefits during the year:

(Amount of ₹ in crore)

No.	Long Term Employee Benefits	31/03/2021	31/03/2020
1.	Sick Leave	15.28	1.44
2.	Casual Leave	0.16	0.12
3.	Leave Travel Concession	34.68	2.15
Total		**50.12**	**3.71**

No.	Long Term Employee Benefits	Opening balance 01.04.2020*	Expenditure 2020-21	Addition 2020-21	Closing balance 31.03.2021
1	Sick Leave	7.38	0	15.28	22.66
2	Casual Leave	0.71	0	0.16	0.87
3	Leave Travel Concession	53.80	18.56	34.68	69.62
Total		**61.89**	**18.56**	**50.12**	**93.45**

Note: Disclosures included are limited to the extent of information provided by the Actuary.
*includes eAB portion also

9.2 SUBSIDIARY COMPANIES

(Reproduced as per audited financials of the subsidiary companies)

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9.2.1 INDBANK MERCHANT BANKING SERVICES LTD

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

Amount in ₹

Details	2020-21	2019-20
Employer's contribution to Provident Fund	4503279	3956245

Defined Benefit Plan

I) Reconciliation of opening and closing balances of Defined benefit obligation

Amount in ₹

Details	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2020-21	2019-20	2020-21	2019-20
Defined benefit obligation at the beginning of the year	14477169	10424236	9175621	7487157
Current service cost	1245412	875494	418454	346222
Interest cost	915972	781818	588067	535448
Actuarial (gain)/ loss	(104445)	1161862	(64441)	1559387
Benefits paid	(1239594)	(702125)	(557996)	(752593)
Settlement cost	-	-	-	-
Defined benefit obligation at the year end	15294514	12541285	9559705	9175621

II) Reconciliation of opening and closing balances of fair value of plan assets

Amount in ₹

Details	Gratuity (Funded)	
	2020-21	2019-20
Fair value of plan assets at the beginning of the year	11607029	11550311
Expected return on plan assets	867210	758843
Contributions	4264874	-
Actuarial (gain)/ loss	98528	-
Benefits paid	(1239594)	(702125)
Settlement cost	-	-
Fair value of plan assets at year end	15598048	11607029
Actual return on plan assets	(202973)	1161862

III) Reconciliation of fair value of assets and obligations

Amount in ₹

Details	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2020-21	2019-20	2020-21	2019-20
Fair value of plan assets	15598048	11607029	-	-
Present value of obligation	15294514	12541285	9559705	9175621
Amount recognized in Balance Sheet	303534	(934256)	(9559705)	(9175621)

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IV) Expense recognized during the year

Amount in ₹

Details	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2020-21	2019-20	2020-21	2019-20
Current Service Cost	1245412	875494	418454	346222
Interest Cost	915972	781818	588067	535448
Expected return on plan assets	867210	758843	-	-
Actuarial (gain) / loss	(202973)	1161862	(64441)	1559387
Net Cost	1091201	2060331	9559705	2441057

V) Actuarial assumptions

Amount in ₹

Details	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2020-21	2019-20	2020-21	2019-20
Mortality Table (LIC)	2012-14 (Ultimate)	1994- 96 (Ultimate)	2012-14 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	6.83%	7.25%	6.83%	6.61%
Expected rate of return (per annum)	6.61%	8.00%	-	-
Rate of escalation of salary(per annum)	5.00%	5.00%	5.00%	5.00%
Attrition Rate	7.00%	1% to 3%	7.00%	7.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The expected rate of return is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the company's policy for plan assets management. The retirement benefit liability in respect of staff on deputation from Indian Bank is borne by Indian Bank.

The company has contributed ₹.23.53 Lakhs (previous year- ₹.20.36 lakhs) towards Gratuity liability in the year 2020-21

9.2.2 INDBANK HOUSING LTD

Company's obligation towards Gratuity Fund and details of actuarial valuation:

₹

		2020-21	2019-20
1	Total past service gratuity	NIL	664113
2	Actuarial value past service gratuity	NIL	686909
3	Gratuity Fund with LIC	NIL	670525
4	Contribution payable to LIC	NIL	16384
5	Contribution paid during the year	NIL	NIL
6	Balance payable	NIL	16752
7	Risk premium and service tax paid	NIL	368

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8	Assumptions Discounting rate Projections of salary increase	NA	7.25% p.a. compound 7.50% p.a. compound

10. SEGMENT REPORTING (CONSOLIDATED) (AS 17)

1. Segment Identification

I. Primary (Business Segment)

The following are the primary segments of the Bank:-

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Other Banking Business.

The present accounting and information system of the Bank does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the primary segments have been computed as under:

i. Treasury -

The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.

ii. Corporate / Wholesale Banking –

The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices.

iii. Retail Banking –

The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs.

iv. Other Banking business —

Segments not classified under (i) to (iii) above are classified under this primary segment.

II. Secondary (Geographical Segment)

i. Domestic Operations - Branches/Offices having operations in India

ii. Foreign Operations - Branches/Offices having operations outside India and offshore banking units having operations in India

III. Allocation of Expenses, Assets and Liabilities

Expenses incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of segment assets in each segment/ratio of directly attributable expenses. The Bank has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

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(₹. in cr.)

Part A Business Segments	Treasury		Corporate/Wholesale Banking		Retail Banking		Other Banking operations		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue	14002.34	6360.25	17708.42	8257.78	13021.62	9532.64	916.16	280.46	45648.54	24431.13
Result	6204.56	2092.05	2843.03	1824.77	2084.26	2072.26	288.61	211.83	11420.46	6200.91
Unallocated expenses									8495.13	5118.27
Operating profit									2925.33	1082.64
Minority interest									1.43	0.69
Other unallocable income									134.86	399.60
Income Taxes									-90.38	620.22
Exceptional item									0.00	0.00
Net Profit									3149.14	861.33
Other information										
Segment Assets	216026.72	91370.17	248990.98	104502.35	182696.29	117426.74	2071.69	650.81	649785.68	305018.55
Unallocated assets									-21672.15	5122.41
Total assets									628113.53	310140.96
Segment Liabilities	182491.24	82590.87	229897.04	91493.87	168782.65	103057.81	1062.39	-5.53	582233.32	277137.02
Unallocated liabilities									6422.14	10236.36
Capital reserves & Surplus									39458.07	22767.58
Total liabilities									628113.53	310140.96

	Part B Geographic Segments					
	Domestic		International		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue	45321.29	24278.48	327.25	448.30	45648.54	24726.78
Assets	613695.69	300546.96	14417.84	9594.00	628113.53	310140.96

Previous year figures were re-grouped wherever necessary.

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11. RELATED PARTY DISCLOSURES (AS 18)

11.1 PARENT

Key Managerial Personnel:

Smt.. Padmaja Chunduru, (w.e.f. 21.09.2018)	Managing Director & Chief Executive Officer
Shri M K Bhattacharaya (w.e.f. 18.02.2017 upto 30.11.2020)	Executive Director
Shri Shenoy Vishwanath V (w.e.f. 01.12.2018)	Executive Director
Shri. K Ramachandran, (w.e.f. 01.04.2020)	Executive Director
Shri. Imran Amin Siddiqui, (w.e.f. 10.03.2021)	Executive Director

Shareholding of non-executive Directors:

Sl No.	Name of the non-executive Director	No. of equity shares held
1	Shri Bharath Krishna Sankar	300
	TOTAL	300

Related Party Transactions are as under:

Remuneration paid to Key Management Personnel during the year ₹. 102.52 lakhs (Previous year ₹.98.16 lakhs)

	2020-2021	2019-20
Shri Mahesh Kumar Jain, MD & CEO Salary & Emoluments Paid (01.04.17 to 03.04.17)	-	6.00 lakhs
Ms. Padmaja Chunduru, MD & CEO Salary & Emoluments Paid (01.04.2020 to 31.03.2021)	30.46 lakhs	31.70 lakhs
Shri Subramania Kumar Salary & Emoluments Paid	-	2.00 lakhs
Shri A S Rajeev, Executive Director Salary & Emoluments Paid (01.04.2018 to 30.11.2018)	-	2.66 lakhs
Shri M K Bhattacharaya Executive Director Salary & Emoluments Paid (01.04.2020 to 30.11.2020)	18.16 lakhs	28.52 lakhs
Shri Shenoy Vishwanath V Executive Director Salary & Emoluments Paid (01.04.2020 to 31.03.2021)	26.22 lakhs	27.28 lakhs
Shri. K Ramachandran, Executive Director Salary & Emoluments Paid (01.04.2020 to 31.03.2021)	26.21 lakhs	-
Shri. Imran Amin Siddiqui, Executive Director Salary & Emoluments Paid (10.03.2021 to 31.03.2021	1.47 lakhs	-

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Parties with whom transactions were entered during the year
No disclosure is required in respect of related parties, which are "State-controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

11.2 SUBSIDIARY COMPANIES:

11.2.1 INDBANK MERCHANT BANKING SERVICES LTD

Key Managerial Personnel:

Managerial Remuneration: (Amount of ₹ in Lakhs)

Name	Designation		2020-21	2019.20
Mr.SeshaSai P L V K	President & Whole Time Director (upto 27.06.2020)	Salary	3.96	16.72
		Contribution to PF	0.20	0.83
Mr. A Rajaraman	President & Whole Time Director (upto 03.09.2020)	Salary	10.60	
		Contribution to PF	0.73	
Mr. U.Rajkumar	Vice President & CFO	Salary	10.40	3.82
		Contribution to PF	0.79	0.30
Mr.V.Balamurugan	Company Secretary & Compliance Officer	Salary	6.62	7.32
		Contribution to PF	0.81	0.76
Sitting fees paid to Non-whole time independent directors			2.74	2.20

President and Whole Time Director of the Company is on deputation from Indian Bank and the remuneration is in accordance with the service rules of the said Bank and also in terms of appointment as 'Whole Time Director' by the shareholders of the Company.

Vice President & CFO of the Company is on deputation from Indian Bank and the remuneration is in accordance with the service rules of the said Bank.

Company Secretary & Compliance Officer has been recruited directly by the company and the remuneration is in accordance with the terms of offer of employment given by the company.

11.2.2 IND BANK HOUSING LTD.

Managing Director of the Company is on deputation from Indian Bank and is drawing remuneration from Ind Bank Merchant Banking Services Ltd. as President of that Company. Hence no remuneration is paid by this Company.

11.3. Other related parties are State controlled Enterprises and hence no disclosures are required as per paragraph 9 of AS 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of banker-customer relationship are not required to be disclosed.

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12. LEASE (AS 19)

12.1 PARENT

a) The properties taken on lease / rental basis are renewable / cancellable at the option of the Bank.

b) The leases entered into by the Bank are for agreed period with an option to terminate the leases even during the currency of lease period by giving agreed calendar month notice in writing.

c) Lease rent paid for operating leases are recognized as an expense in the Profit & Loss account in the year to which it relates. The lease rent recognized during the year is ₹.441.04 Crore (Previous year ₹ 225.85 Crore).

d) Finance Lease

An asset acquired on finance lease comprises land and building. The leases have a primary period, which is fixed and non-cancellable. The Bank has an option to renew the lease for a secondary period.

The minimum lease rentals and the present value of minimum lease payments in respect of assets acquired under finance lease are as follows:

Particulars	**Minimum lease payments**		**Present value of minimum lease payments**	
	As at 31st March 2021	**As at 31st March 2020**	**As at 31st March 2021**	**As at 31st March 2020**
Payable not later than 1 Year	0	0	0	0
Payable later than 1 year and not later than 5years	0	0	0	0
Payable later than 5 Years	0	0	0	0
Total	0	0	0	0
Less:Future finance charges				
Present value of minimum lease payments	0	0	0	0

13. EARNINGS PER SHARE (AS 20)

Particulars	**2020-21**	**2019-20**
Net Profit after tax available for equity shareholders (₹ in crore)	3149.15	861.34
Number of Equity Shares	1129366570	608800580

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Weighted Number of equity shares		1129366570	525852645
Basic Earning Per Share	₹	27.88	16.38
Diluted Earning Per Share	₹	27.88	16.38
Nominal value per Equity Share	₹	10.00	10.00

14. CONSOLIDATED FINANCIAL STATEMENT (AS 21)

The consolidated financial statements are prepared in accordance with the Accounting Standard (AS 21), "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI) and the guidelines issued by the Reserve Bank of India on preparation of Consolidated Financial Statements.

The consolidated financial statements are based on the audited financial statements of Indian Bank (parent) and audited financial statements of its subsidiaries, viz., (1) Indbank Housing Ltd. and (2) Indbank Merchant Banking Services Ltd.

Consolidated figures as on 31.03.2021 includes ₹ 134.86 crore being share in the unaudited profit of three Associates viz, M/s Tamilnadu Grama Bank, M/s Sapthagiri Grameena Bank and Puduvai Bharathiar Grama Bank and ₹.7.15 crore being the share in the unaudited profit of two joint ventures viz. 1) Universal Sampo General Insurance Company Ltd. and 2) ASREC (India) Ltd

15. ACCOUNTING FOR TAXES ON INCOME (AS 22)

15.1 PARENT

15.1.1 Current Tax-
During the current year, considering the accumulated losses of e-Allahabad bank, Bank has not created provision for income tax for domestic operations. Provision for income tax made in foreign branches amounting to ₹. 10.56 Crore during the current year. The Current Tax for domestic operations has been calculated in accordance with the provisions of Income Tax Act 1961.

15.1.2 Deferred Tax
The Bank has a net DTA of ₹.2844.49 crore (Previous Year net DTA of ₹.744.20 crore), which comprises of Deferred Tax Liabilities (DTL) of ₹.949.89 crore (Previous ₹. 584.06 crore) included under 'Other Liabilities and Provisions' and Deferred Tax Assets (DTA) of ₹.3794.38 crore (Previous Year 1328.26 crore) included under 'Other Assets'. The major components of DTA and DTL is given below:

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The major components of Deferred Tax Assets (DTA) / Deferred Tax Liabilities (DTL) are:

₹ in crore

Deferred Tax Assets		31.03.2021	31.03.2020
1	Liabilities provision allowable on payment /crystallisation	208.53	67.70
2	FCTR (Foreign Currency Translation Reserve)	105.29	109.15
3	Provision for GRATUITY	0.09	0.12
4	Provision for bad debts	3076.11	1006.58
5	Provision for restructured assts, AQR, S4A, Stressed Assets	328.67	70.66
6	Depreciation on Fixed Assets	75.69	73.87
7	Provision for Head Office Expenses	0.00	0.18
	Total DTA	**3794.38**	**1328.26**
Deferred Tax Liabilities			
1	Depreciation on Fixed Assets	44.41	38.51
2	Provision for written off accounts	363.15	363.15
3	Staff welfare retrieval	4.11	4.11
4	Special Reserves U/s.36(1)(viii) of Income Tax Act 1961	538.22	178.29
	Total DTL	**949.89**	**584.07**
	Net DTA / (DTL)	**2844.49**	**744.20**

15.2 SUBSIDIARY COMPANIES:

15.2.1 INDBANK MERCHANT BANKING SERVICES LTD

The major components of deferred tax asset/liability are as below: (Amount of ₹ in crore)

	Deferred Tax			
	As on 31.3.2021		As on 31.3.2020	
	Asset	Liability	Asset	Liability
i) Timing difference in depreciable assets		1.48		2.60
ii) Provision for Bad debts and NPAs	4.40		6.16	
iii) Others	0.24		0.31	
Total	**4.64**	**1.48**	**6.47**	**2.60**
NET DTA / (DTL)	**3.16**		**3.87**	

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16. DISCLOSURE REQUIREMENTS UNDER AS 24–DISCONTINUED OPERATIONS

16.1. SUBSIDIARY COMPANIES:

16.1.1 INDBANK MERCHANT BANKING SERVICES LTD

The Company had discontinued fund-based activities consequent to SEBI regulations coming into force with effect from December 1997 and had decided to undertake only fee-based activities. The existing fund based exposures as on December 1997 are continued to run down to their contracted period. The Company had obtained cancellation of registration as NBFC from RBI consequent to repayment of fixed deposits and transfer of unclaimed fixed deposits to IEPF. The Company is now governed only by SEBI regulations.

Information reported to the Chief Operating Decision Maker (CODM - Board of Directors) for the purposes of resource allocation and assessment of segment performance focuses on the Company as a whole. Hence, the management has concluded that the Company has only one segment.

The Company had discontinued fund-based activities consequent to SEBI regulations coming into force with effect from December 1997 and had decided to undertake only fee-based activities. The existing fund based exposures as on December 1997 are continued to run down to their contracted period. The Company had obtained cancellation of registration as NBFC from RBI consequent to repayment of fixed deposits and transfer of unclaimed fixed deposits to an escrow account with a nationalized bank for repayment as and when claimed. The Company is now governed only by SEBI regulations.

17 SUBSIDIARY COMPANIES:

17.1 INDBANK MERCHANT BANKING SERVICES LTD

Indian Bank, the parent Bank, had approved a moratorium period of 3 years from September 2013 to September 2016 for repayment of the amount of ₹. 897.48 lakhs payable to them under the Right of Recompense clause with repayment of ₹. 75 lakhs per half year to commence from the half year ending 31.03.2017 without any Interest charge for the period of moratorium/repayment. Accordingly, the company has repaid ₹.675 lakhs to Indian Bank upto the half year ended 31.03.2021 as per the terms approved by the parent bank

18. BANCASSURANCE BUSINESS

PARENT

The Commission from Bancassurance Products was hitherto accounted on realization basis and has been changed to Accounting on Accrual basis from this financial year 2020-21.

During the current year, the Bank has earned commission income to the extent of ₹ 63.97 Crore on sale / marketing of various Bancassurance /Mutual Fund products against previous year income of ₹ 20.44Crore.

Due to change in accounting policy to Accrual basis of accounting the commission income is more by ₹ 5.69 crore.

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(Amount ₹ In Crore)

Sr No.	Nature of Income	2020-2021	2019-2020
1	From Distribution of Life Insurance Policies	38.43	8.88
2	From Distribution of Non-life insurance policies	18.53	11.43
3.	From Distribution of Health insurance policies	6.33	
3	Others – From Distribution of Mutual Fund Products	0.98	0.15
	Total	63.97	20.44

19. ADDITIONAL DISCLOSURES

PARENT

19.1 As per information available with the Bank, there is no outstanding dues payable by the Bank to MSME units identified by the Bank, which is pending beyond the time limit prescribed under MSMED Act, 2006 and there have been no reported cases of accepted liability of delayed payments of principal amount or interest thereon for such parties during the year.

19.2 Inter- Bank/Company balances between group entities are being reconciled on an ongoing basis. No material effect is expected on the profit and loss account of the current year of such reconciliation.

19.3 **Amalgamation of Erstwhile Allahabad Bank with Indian Bank**

19.3.1. In exercise of powers conferred by Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act of 1970 (5 of 1970) after consultation with the Reserve Bank of India, The Government of India (GOI) has notified the Scheme of Amalgamation (referred As per the GOI gazette notification dated March 4, 2020, the Scheme came into force on the 1st day of April, 2020. On the commencement of the Scheme, the undertakings of the Transferor Bank shall be transferred to and shall vest into the Transferee Bank.

19.3.2 In consideration of the transfer of and vesting of the undertaking of the Transferor Bank, equity shares of face value of ₹.10 each fully paid-up (rank pari passu in all respect and have the same rights attached to them as the then existing equity shares of Transferee Bank, including, in respect of dividends, if any, that may be declared by the Transferee Bank, on or after the commencement of this scheme) in the Transferee Bank was issued to shareholders whose names were recorded in the register of members of the Transferor Bank as on the record date determined by the Transferee Bank for this purpose. Details are as below

Name of Transferor Bank	Share exchange Ratio
Allahabad Bank	115 equity shares of Indian Bank of face value of ₹. 10/- each fully paid up for every 1000 equity shares of Allahabad Bank of face value of ₹. 10/- each fully paid up

Further, the Transferee Bank has paid cash in respect of entitlements to fraction of equity shares wherever so determined

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19.3.3. Disclosures as per para 24 of AS 14 — "Accounting for Amalgamations" is as under:

i) The general nature of business of the amalgamating company i.e. Allahabad bank is same as that of the Banking business of Indian Bank i.e Banking;

ii)The amalgamation is accounted under the 'pooling of interest' method as prescribed in AS-14 "Accounting for amalgamation". All assets and liabilities (including contingent liabilities), duties and obligations of transferor Bank are proposed to be recorded in the books of account of transferee Bank at their existing carrying amount and in the same form as on April 01, 2020 except for adjustments to bring uniformity of accounting policies as required under AS-14. Any changes required to be made in liabilities / assets (including those consequent to changes in Accounting Standards) after the date on which the scheme came into force has been made subsequently in the books of account of the Transferee Bank.

iii)The amount of Share Capital issued by Transferee Bank amounting to ₹. 520.57 crore (52,05,65,990 equity shares of face value ₹. 10 each issued at par) has been adjusted against the corresponding share capital of the Transferor Bank and the balance of ₹. 4006.91 crore has been adjusted to the Amalgamation Reserve .Cash in lieu of fractional entitlement of shares amounting to ₹. 2.51 crore was paid.

iv) Summarized values of assets and liabilities transferred in accordance with the terms of the Scheme are as detailed below:

(Amount in ₹. crore)

Particulars	eAB
Assets Taken Over	
Cash and Balances with RBI	7366.61
Balances with Banks and Money at Call and Short Notice	14383.82
Investments	80666.58
Advances	142964.78
Fixed Assets	3510.42
Other Assets	9109.91
Total Assets (A)	258002.12
Liabilities Taken Over	
Reserves and Surplus	8135.29
Deposits	228608.51
Borrowings	9102.57
Other Liabilities and Provisions	7628.27
Total Liabilities (B)	253474.64
Net Assets C=(A-B)	4527.48

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Indian Bank and Allahabad bank have merged during the year. Though Indian Bank and Erstwhile Allahabad Bank had the same IT infrastructure, due to different policies and parameterisation, there were challenges faced during integration. This has also thrown up operational difficulties of integration and differences in figures during the year end. The Management is in the process of carrying out a migration audit. Errors if any will be corrected after the integration is completed. In Management's estimate the impact of the same to the financial statement is not expected to be material

19.4. In accordance with current RBI guidelines, the general clarification issued by ICAI has been considered in the preparation of the consolidated financial statements. Accordingly, additional statutory information disclosed in separate financial statements of the parent and its subsidiaries having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements in view of the Accounting Standard Interpretation issued by ICAI.

19.5 The results for year ended March 31, 2021 include the operations of erstwhile Allahabad Bank. Hence the yearly results, assets, liabilities and cash flows of current financial year are not comparable with corresponding figures of previous financial year.

20. Previous year's figures have been regrouped / reclassified, wherever necessary, to confirm to current year's classification

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Independent Auditors' Report on Consolidated Financial Results for quarter and year ended 31st March, 2021 of Indian Bank pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors
Indian Bank
Chennai.

Opinion

1. We have audited the accompanying Statement of Consolidated Financial Results of Indian Bank ("the Parent"/ "Bank") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, for the quarter ended and year ended 31st March, 2021 ("the Statements"), attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") except for the disclosures relating to Consolidated Pillar 3 disclosure as at 31st March, 2021, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the financial report and have not been audited by us.

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate audited financial statements of subsidiaries and the Management certified financial statements of associates and jointly controlled entities, the aforesaid financial Results:

   i. include the financial results of the following entities:

Name of the Entity	Relationship
Indian Bank	Parent
Indbank Merchant Banking Services Ltd	Subsidiary
Ind Bank Housing Ltd	Subsidiary
Tamilnadu Grama Bank	Associate
Saptagiri Grameena Bank	Associate
Puduvai Bharathiar Grama Bank	Associate
ASREC (India) Ltd	Joint Venture
Universal Sompo General Insurance Company Ltd	Joint Venture

   ii. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations except for the disclosures relating to Consolidated Pillar 3 disclosure as at 31st March, 2021, including leverage ratio and liquidity coverage ratio under

Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Consolidated Financial Results and have not been audited by us; and

iii. give a true and fair view, in conformity with the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India, of the Consolidated net profit and other financial information of the Group for the quarter and year ended 31st March, 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Results' section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter:

We draw attention to:

4. Note No. 11 of the Statement on the impact of uncertainties caused by COVID 19 on the future business and financial results and Management's assessment of the same in the prevailing situation. The Management is in the process of evaluating the effect of the uncertainties on an ongoing basis with reference to challenges under the prevailing uncertainties.

5. Note No. 5 to the Statement, that the figures for the quarter and financial year ended 31st March, 2021 includes figures of erstwhile Allahabad Bank amalgamated with the Bank whereas figures for the corresponding quarter and year ended 31st March, 2020 are of pre-amalgamated Indian Bank and hence the same are not comparable.

6. Note No. 5 on merger of data between Indian Bank and Erstwhile Allahabad Bank carried out during the year and the data migration audit in progress.

Our report is not modified in respect of above matters.

Board of Directors' Responsibility for the Consolidated Financial Results:

7. These Consolidated Financial Results have been compiled from the related audited Annual Consolidated Financial Statements. The Bank's Board of Directors are responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance and other financial information of the Group including its associates and jointly controlled entities in accordance with the recognition and measurement principles laid down in Accounting Standards issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines"), judicial pronouncements and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the entities included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Banking Regulations Act, 1949 for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud and error.

8. In preparing the Consolidated financial Statement, the respective Board of Directors of the entities included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors of the entities included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

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

10. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i. 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.

ii. 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 Companies Act 2013, we are also responsible for expressing our opinion on whether the bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

iv. Conclude on the appropriateness of the Board of Directors' 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 Associates and Jointly controlled entities 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 associates and jointly controlled entities to cease to continue as a going concern.

v. 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.

vi. Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial information 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 Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our opinion.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.

11. We communicate with those charged with governance of the bank and such other entities included in the Consolidated financial results of which we are the independent auditors regarding, amongst 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.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

13. The Consolidated Financial Results include the audited Financial Results of Two (02) subsidiaries, whose Financial Results reflect Group's share of total assets of Rs. 36.60 Crores as at 31st March, 2021, Group's share of total revenue of Rs. 2.27 Crores and Rs. 8.49 Crores and Group's share of total net profit after tax of Rs. 0.29 crores and Rs. 2.45 Crores for the quarter and year ended 31st March 2021 respectively, as considered in the Consolidated Financial Results, which have been audited by their respective independent Auditors. The independent auditors' reports on Financial Results of these entities have been furnished to us and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are stated in paragraph above.

14. We did not audit the Financial Statements of three (03) associates and Two (02) jointly controlled entities whose Financial Statements reflect Group's share of total assets of Rs. 1409.66 Crores as at 31st March, 2021, Group's share of total revenue of Rs. 74.65 Crores and Rs. 456.34 Crores and Group's share of total net profit after tax of Rs. 16.24 Crores and Rs. 142.01 Crores for the quarter and year ended 31st March, 2021 respectively, as considered in the Consolidated Financial Results. These Financial Statements are unaudited and have 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 associates and jointly controlled entities, and our report in so far as it relates to the aforesaid associates and jointly controlled entities and, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the Consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/financial information certified by the Board of Directors.

15. The figures for the quarter ended 31st March 2021 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of full financial year and the published unaudited year to date figures up to the end of the third quarter of the relevant financial year which were subject to limited review by us.

Our opinion is not modified in respect of above matters

16. The Consolidated Financial statements of the Bank for the previous year ended 31st March, 2020 were audited by the joint auditors, two of whom are predecessor audit firms and had expressed unmodified opinion on such Financial statements. Further, the unaudited financial results of the Bank as per Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, for the quarter and six months ended on 30th September, 2020 were reviewed by the joint auditors, two of whom are predecessor audit firms and had expressed their unmodified conclusions on those results.

For K C MEHTA AND CO
Chartered Accountants
FR No. 106237W

Partner CHIRAG BAKSHI
(M. No. 047164)
UDIN: 21047164AAAAEN5045

For SRIRAMAMURTHY & CO
Chartered Accountants
FR No. 003032S

Partner DONDETI TEJA SAGAR
(M. No. 227878)
UDIN: 21227878AAAADP6730

For RAVI RAJAN & CO LLP
Chartered Accountants
FR No. 009073N / N500320

Partner JAYANTH A
(M No. 231549)
UDIN: 21231549AAAACQ9519

M/s. P K F Sridhar & Santhanam LLP
FR No. 003990S/S200018

Partner V. KOTHANDARAMAN
(M. No. 25973)
UDIN: 21025973AAAABA7815

M/s. G Natesan & Co
FR No. 002424S

Partner K MURALI
(M. No. 024842)
UDIN: 21024842AAAABK8607

Place of Signature: Chennai
Date of Report: 28th May, 2021

DECLARATION

Our Bank certifies that all relevant provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Bank's business have been obtained, are currently valid and have been complied with.

Our Bank further certifies that all the statements in this Placement Document are true and correct.

Signed by:

Sd/-	Sd/-
Ashutosh Choudhury Executive Director	**Sunil Jain** Chief Financial Officer

Place: Chennai

Date: December 15, 2023

CORPORATE OFFICE OF OUR BANK

Indian Bank
No. 254-260, Avvai Shanumugam Salai, Royapettah, Chennai – 600 014, Tamil Nadu, India
Tel: +91 44 2813 4076; **Website:** www.indianbank.in
Email: investors@indianbank.co.in

BOOK RUNNING LEAD MANAGERS

IIFL Securities Limited
24th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013, Maharashtra, India

Axis Capital Limited
1st Floor, Axis House, C-2 Wadia International Center, Pandurang Budhkar Marg, Worli, Mumbai 400 025, Maharashtra, India

Emkay Global Financial Services Limited
7th Floor, The Ruby Senapati Bapat Marg, Dadar(West) Mumbai 400028

JM Financial Limited
7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India

ICICI Securities Limited
ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India

SBI Capital Markets Limited
1501, 15th Floor, A & B Wing, Parinee Crescenzo, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India

Legal Advisor to the Bank
As to Indian law

M/s. Crawford Bayley & Co.
State Bank Buildings
N.G. N. Vaidya Marg
Fort, Mumbai 400 023
Maharashtra, India

Legal Advisors to the Book Running Lead Managers

As to Indian law

Dentons Link Legal
Aiwan-e-Ghalib Complex
Mata Sundari Lane
New Delhi-110 002
Delhi, India

As to U.S. law

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore 049321

STATUTORY AUDITORS

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D-191 Okhla Industrial Area, Phase 1, New Delhi - 110020
FRN: 006085N

Kailash Chand Jain & Co. Chartered Accountants
Edena 1st floor, 97 Maharshi Karve Road Near Income Tax Office, Mumbai - 400020, Maharashtra
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S Singhal & Co. Chartered Accountants
Gordhan Enclave 4B, Yudhister Marg, C-scheme Jaipur - 302005, Rajasthan
FRN: **001526C**

G Balu Associates LLP Chartered Accountants
Ammi Building, V M Street No 123, Royapettah High Road, Mylapore, Chennai – 600004
FRN:000376S/S200073

Dass Gupta & Associates Chartered Accountants
4 Gulmohar Park
New Delhi – 110049
FRN: 000112N

SAMPLE APPLICATION FORM

Following is the indicative Application Form that formed part of the Preliminary Placement Document

INDIAN BANK
Corporate Office: No. 254-260, Avvai Shanmugam Salai, Royapettah, Chennai – 600 014, Tamil Nadu, India
Website: www.indianbank.in, **Tel:** +91 44 2813 4076
Email: investors@indianbank.co.in

APPLICATION FORM

(a) Name of the Bidder: ______________________

(b) Form No.: ___________

(c) Date: _______________

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH, AT A PRICE OF ₹[●] PER EQUITY SHARE (THE "ISSUE PRICE"), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING TO ₹[●] CRORE IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), THE BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) ACT, 1970, AS AMENDED ("THE BANKING COMPANIES ACT"), THE BANKING REGULATION ACT, 1949, AS AMENDED (THE "BANKING REGULATION ACT"), THE INDIAN BANK (SHARES AND MEETINGS) REGULATIONS, 1999, AS AMENDED (THE "INDIAN BANK REGULATIONS") AND THE NATIONALISED BANKS (MANAGEMENT AND MISCELLANEOUS PROVISIONS) SCHEME, 1970, AS AMENDED (THE "NATIONALISED BANKS SCHEME"), BY INDIAN BANK (THE "BANK") (AND SUCH ISSUE, THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 414.44 PER EQUITY SHARE AND OUR BANK MAY OFFER A DISCOUNT OF UPTO 5% ON THE FLOOR PRCE, AS APPROVED BY ITS SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or other applicable laws, including foreign exchange related laws; or (b) prohibited or debarred by any regulatory authority from buying, selling or dealing in securities, and are eligible to invest in this Issue. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs participating through Schedule II of the FEMA Rules. Further, except as provided in (ii) above, other nonresident QIBs including foreign venture capital investors and multilateral and bilateral development financial institutions are not permitted to participate in the Issue. Also, please note that AIFs or VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules are not permitted to participate in this Issue.

The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any other applicable state securities laws of the United States and, unless so registered may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are "qualified institutional buyers" (as defined in Rule 144A under the Securities Act ("Rule 144A") and referred to herein as "U.S. QIBs") pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act; for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in the PPD (as defined hereinafter) as "QIBs"; and (b) outside the United States, in "offshore transactions" in reliance on Regulation S under the Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 258 and 267, respectively, in the accompanying preliminary placement document dated December 12, 2023 (the "PPD").

ONLY ELIGIBLE QIBs ARE PERMITTED TO PARTICIPATE IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH SCHEDULE II OF THE FEMA RULES, IN THIS ISSUE, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS, INCLUDING THE BANKING COMPANIES ACT, IN THIS REGARD. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. AIFs AND VCFs WHOSE SPONSOR AND MANAGER ARE NOT INDIAN OWNED AND CONTROLLED IN TERMS OF THE FEMA RULES, OR FVCIs, MULTILATERAL OR BILATERAL DEVELOPMENT FINANCIAL INSTITUTIONS ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,	**STATUS (Please tick for applicable category)**

The Board of Directors
Indian Bank

Corporate Office: No. 254-260, Avvai Shanmugam Salai, Royapettah, Chennai – 600 014, Tamil Nadu, India

Dear Sir/ Madam,

On the basis of the serially numbered PPD of the Bank and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179 of the SEBI ICDR Regulations or other applicable laws, including foreign exchange related laws; or (b) been prohibited or debarred by any regulatory authority from buying, selling or dealing in securities, and are eligible to invest in this Issue. We are not a promoter of the Bank (as defined in the SEBI ICDR Regulations) or any person related to the promoter of the Bank, directly or indirectly.

FI	Scheduled Commercial Bank and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds**
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Funds
SI-NBFC	Systematically Important Non – Banking Financial Companies	**OTH**	Others ________________ (Please specify)

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended.*

*** Sponsor and Manager should be Indian owned and controlled.*

Further, we confirm that we do not have any right under a shareholder's agreement, veto rights or right to appoint any nominee director on the Board. We confirm that we are either an Eligible QIB resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules nor a FVCI participating in this Issue. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation of the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020 and that we are neither an entity of a country which shares a land border with India nor is the beneficial owner of our investment situated in or a citizen of such country and that our investment is in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India. We confirm that the bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid does not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We further understand and agree that (i) our names, address, contact details, PAN and bank account details will be recorded by the Bank; and (ii) in the event that Equity Shares are Allotted to us in the Issue, the Bank will place our name in the register of members of the Bank or the relevant depository will record our name in the beneficial owner records maintained by the respective depositories, as a holder of such Equity Shares that may be Allotted to us. Further, we are aware and agree that if we are Allotted more than 5% of the Equity Shares in the Issue, the Bank will disclose our name and the number of Equity Shares Allotted to us on the websites of National Stock Exchange of India Limited and BSE Limited (together referred to as the "**Stock Exchanges**"), and we consent to such disclosure. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations and other applicable laws. We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We undertake that we will submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the undersigned is duly authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue. We note that the Bank is entitled, in its absolute discretion in consultation with the BRLMs (as defined hereunder), to accept or reject this Application Form without assigning any reason thereof. We hereby accept the Equity Shares that may be Allocated to us pursuant to the CAN and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of this Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to or on Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole and absolute discretion of the Bank, in consultation with IIFL Securities Limited, Axis Capital Limited, Emkay Global Financial Services Limited, ICICI Securities Limited, JM Financial Limited and SBI Capital Markets Limited. ("**BRLMs**"); and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Bank is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount has been paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Bank to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

By submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" of the PPD are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Bank and the BRLMs, each of which is entitled to rely on and is relying on these representations and warranties in consummating the Issue.

By submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Bank, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Bank in consultation with the BRLMs and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) upon Allocation, the Bank shall disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the absolute discretion of the Bank, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, amongst the Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the Banking Companies Act, the Banking Regulation Act, the Indian Bank Regulations and the Nationalised Banks Scheme, other applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

We acknowledge that the Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. By submitting this Application Form and checking the applicable box above, we hereby represent that we are either (i) a U.S. QIB, or (ii) located outside the United States and purchasing the Equity Shares in an offshore transaction as defined in Regulation S and in reliance on the applicable laws of the jurisdiction where those offers and sales are made.

By submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of an Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	

MOBILE NO.	
EMAIL ID	
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO. ____________________
FOR MF	SEBI MF REGISTRATION NO
FOR AIFs***	SEBI AIF REGISTRATION NO.
FOR VCFs***	SEBI VCF REGISTRATION NO.
FOR SI-NBFC	RBI REGISTRATION DETAILS
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS. ____________________

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Bank and the BRLMs.*
*** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares held by us in the Bank, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Bank in the Placement Document. For such information, the BRLMs have relied on the information provided by the Bank for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

NO. OF EQUITY SHARES BID FOR		**PRICE PER EQUITY SHARE (RUPEES)**	
(In Figures)	(In Words)	(In Figures)	(In Words)
BID AMOUNT (RUPEES)			
(In Figures)		(In Words)	

DEPOSITORY ACCOUNT DETAILS		
Depository Name	National Securities Depository Limited	Central Depository Services (India) Limited
Depository Participant Name		
DP – ID	I N	
Beneficiary Account Number		(16-digit beneficiary A/c. No. to be mentioned above)

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Bid Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

PAYMENT DETAILS
REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 3.00 p.m. (IST), [●], 2023, ("Issue Closing Date")

ESCROW BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	Indian Bank QIP 2023 Escrow Account	**Account Type**	Escrow Account
Name of Bank	Indian Bank	**Address of the Branch of the Bank**	LCB Chennai, 480 Anna Salai, 2nd Floor, Khivraj Complex Nandanam, Chennai – 600 035
Account No.	7670657188	**IFSC**	IDIB000C188
LEI:	5493008JR8FCVQ6FJL94		

The Bid Amount should be transferred pursuant to this Application Form only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Bid Amount should be made along with this Application Form on or before the closure of the Issue Period i.e. prior to or on the Bid/Issue Closing Date. All payments must be made in favor of "***Indian Bank QIP 2023 Escrow Account***". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in this Application Form.

You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Bank and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)

Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

DETAILS OF CONTACT PERSON	
Name:	
Address:	
Tel. No:	Fax No:
Mobile No.	Email:

OTHER DETAILS	
PAN	
Signature of Authorised Signatory (may be signed either physically or digitally)	

ENCLOSURES ATTACHED

- ☐ Copy of PAN Card or PAN allotment letter**
- ☐ FIRC
- ☐ Copy of the SEBI registration certificate as a Mutual Fund
- ☐ Copy of the SEBI registration certificate as an Eligible FPI
- ☐ Copy of the SEBI registration certificate as an AIF
- ☐ Copy of the SEBI registration certificate as a VCF
- ☐ Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
- ☐ Copy of the IRDA registration certificate
- ☐ Intimation of being part of the same group
- ☐ Certified true copy of the power of attorney
- ☐ Other, please specify ___________________

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*

***Please note that the Bidder should not mention the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961, as the application is liable to be rejected on this ground.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD.
Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Bank in consultation with the BRLMs.

The Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.