

July 27, 2022

National Stock Exchange of India Ltd. (Symbol: INDUSINDBK)  
BSE Ltd. (Scrip Code: 532187)  
Luxembourg Stock Exchange

Madam / Dear Sir,

**Subject: Submission of Notice of 28<sup>th</sup> Annual General Meeting and Annual Report for the Financial Year 2021 – 2022**

In compliance with Regulations 34(1) and 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith soft copy of our Bank's Annual Report for F.Y. 2021 - 2022, along with the Notice of the 28<sup>th</sup> Annual General Meeting ('28<sup>th</sup> AGM') to be held on Friday, August 19, 2022 at 11.30 a.m. (IST) through Video Conference/ Other Audio Visual Means ('VC / OAVM').

The Notice of 28<sup>th</sup> AGM and the Annual Report for F.Y. 2021 - 2022 has been sent today, i.e. July 27, 2022, through electronic mode to those Members whose email addresses are registered with the Bank / Registrar & Share Transfer Agent, Link Intime Pvt. Ltd. / Depository Participant(s).

The Notice of 28<sup>th</sup> AGM and the Annual Report for F.Y. 2021 – 2022 has also been made available on the Bank's website at the link:

<https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html>


(Please Select Annual Report and FY 2021-2022)

A copy of this letter is being uploaded on the Bank's website at [www.indusind.com](http://www.indusind.com)

We request you to take the above information on record.

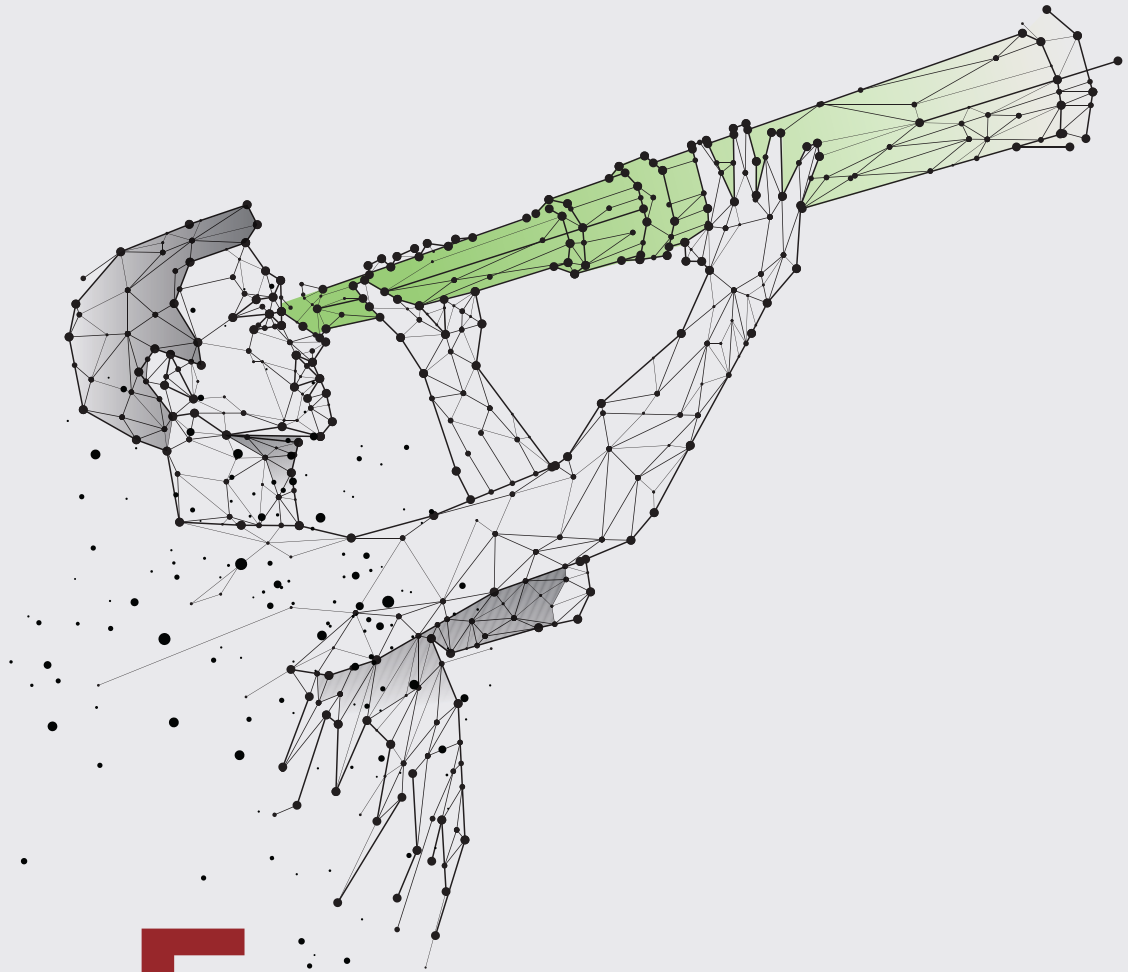
Thanking You,

Yours faithfully,  
**For IndusInd Bank Ltd.**



**Anand Kumar Das**  
**Deputy Company Secretary**

Encl: a/a



# Focus

on **Sustainable Future**

Digital. Distinctive. Disruptive.

Annual Report **2021-22**



## Board of Directors (as on March 31, 2022)

Mr. Arun Tiwari, Chairman  
Mr. Shanker Annaswamy  
Dr. T. T. Ram Mohan  
Mrs. Akila Krishnakumar  
Mr. Rajiv Agarwal  
Mr. Sanjay Asher  
Mrs. Bhavna Doshi  
Mr. Jayant Deshmukh  
Mr. Sumant Kathpalia, Managing Director & CEO

## Additional Director

Mr. Pradeep Udhas (w.e.f. June 9, 2022)

## Company Secretary

Mr. Girish Koliyote (upto June 17, 2022)

## Deputy Company Secretary

Mr. Anand K. Das (w.e.f. June 9, 2022)

## Auditors

M/s. Haribhakti & Co. LLP  
Chartered Accountants  
705, Leela Business Park, Andheri Kurla Road,  
Andheri (East), Mumbai 400 059.  
Tel: (022) 66729999  
Fax: (022) 66729777

M/s. M. P. Chitale & Co.  
Chartered Accountants  
Hamam House, Ambalal Doshi Marg,  
Fort, Mumbai 400 001.  
Tel: (022) 22651186

## Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.  
C-101, 247 Park, L. B. S. Marg,  
Vikhroli (West), Mumbai - 400 083.  
Tel: (022) 49186280, 49186000  
Fax: (022) 49186060

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**Company CIN:** L65191PN1994PLC076333

## Registered Office

2401, Gen. Thimmayya Road  
(Cantonment)  
Pune – 411001.  
Tel: (020) 69019000

## Corporate Office

8th Floor, Tower 1  
One World Centre  
841, Senapati Bapat Marg  
Prabhadevi (West) Mumbai – 400013.  
Tel: (022) 30493999

## Secretarial & Investor Services cell

Solitaire Corporate Park  
Building No. 7, Ground Floor  
167, Guru Hargovindji Marg  
Andheri (East), Mumbai – 400093.  
Tel: (022) 66412487 / 66412359

# Message from Managing Director



Dear Shareholders,

At the outset, I hope you and your loved ones are doing well. The past couple of years have been a period of extraordinary circumstances wherein we have been combating recurring global pandemic, supply chain disruptions, geopolitical tensions that have impacted individuals as well as the economy's well-being. We have nevertheless seen a semblance of stability returning in FY2021-22 amidst these turbulent times with daily activities returning to normal. For India, the economic recovery continued to progress well from the pandemic lows, supported by massive nationwide vaccination drive and targeted support measures by the government and regulators. While the pace of economic recovery got impacted by the global geopolitical tensions and rising commodity prices, India is well placed to deal with these challenges on the back of robust macro-economic profile, strong external buffers and healthy corporate and banking industries. India continues to remain among the fastest growing major economies in the world and I believe we are at the cusp of sustained growth and opportunity for the country.

Coming to the Bank's performance, we continued the execution on the Planning Cycle 5 strategy of "Scale with Sustainability". We further strengthened our position across sustainability metrics, while steadily pivoting towards growth.

- We persisted with our strong focus on deposit mobilisation with 15% y-o-y growth, achieved along with a reduction in cost of deposit. The cost of deposit has now come down to the lowest levels in the history of the Bank. The deposit growth was driven by granular retail deposits and CASA, which grew faster than the overall deposits.
- On the loan book side, we remained watchful of the evolving operating environment. We slowed down loan disbursements during COVID-2 wave in the early part of the year and resumed loan growth cautiously once the pandemic concerns receded. Our loan growth for the year picked up by 12% y-o-y compared to 3% y-o-y for the last year.
- The Bank has a unique customer franchise focused on "livelihood" generating loans. These are also segments of domain expertise such as vehicle finance, microfinance and diamond manufacturer financing. These segments continued to outperform the industry in these uncertain times as well. We also saw them participating in the economic recovery achieving one of the best quarterly disbursements in March '22.
- We also progressed well on scaling up our new initiatives such as affluent banking, NRI banking, tractor financing, small corporates with less than ₹500 crores turnover, merchant acquiring, affordable housing and Digital 2.0.
- We continued to invest in our physical and digital distribution network. We added 250 branches during the year, increasing our branch count to 2,265 compared to 2,015 last year. We now have 5,876 distribution points (including BFIL branches & vehicle finance outlets) covering ~1,32,000 villages across India. We also made significant progress towards our Digital 2.0 journey with multiple planned launches during the year. I will cover these items in detail during the latter part of my message.

- Overall, the bank continued to progress well towards its strategy of 'Scale with Sustainability' and is now well positioned to take a leap towards sustainable growth.

Sustainability is core to our business strategy. While traction on financial metrics is well covered, we have also progressed on non-financial aspects. We have launched Green Fixed Deposits, where the deposit proceeds will be used to finance projects and firms supporting the United Nations Sustainable Development Goals (SDGs). IndusInd Bank is amongst the few banks globally to bring forth this proposition, thereby integrating SDG into a regular fixed deposit product. The Bank continues to be the only Indian Bank to be included in Dow Jones Sustainability Yearbook and has a highest rating amongst Indian Banks in Refinitiv ESG Rankings. The Bank also believes that it should spread its sphere of activities beyond business. One such initiative is harnessing the power of Sport for Change through our 'IndusInd for Sports'. We supported the para-athletes under our para championship program and we take immense pride in the fact that three of these athletes have been conferred the Padma Shri Award for their exceptional contribution to sports.



Next, I would like to come to the financial performance for the year. I am happy to share that we have recorded the highest ever profits in the history of the Bank with consolidated PAT of ₹4,805 crores. The key financial highlights for the year are:

- Our deposits saw a healthy growth of 15% driven by granular retail deposits and CASA. Our CASA deposits grew by 17% y-o-y resulting in CASA deposits ratio improving from 41.7% to 42.7%.
- Our loan growth accelerated to 12% in March 22 from 3% in March 21. The loan mix remains diversified at 46% Corporate and 54% Consumer.
- We maintained a healthy Net Interest Margin at 4.11% for the year. The margin was supported by robust fall in cost of deposits during the year.
- Our other income grew by 14% y-o-y driven by granular retail sources.
- We remained vigilant on the operating expenses, especially during the economic slowdown, resulting in steady cost to income ratio of 41.55% for the year.
- As a result, we continued to maintain a healthy operating profit margins amidst tough operating environment with Operating Profits/Loan ratio of 5.8% which is amongst the best in the industry.
- Our provisions reduced by 16% y-o-y as the visibility on the asset quality improved during the year. We also made meaningful addition to contingent provisions and maintained healthy Provision Coverage Ratio of 72%. We are now carrying contingent provisions of ₹3,328 crores and total loan related provisions are 152% of GNPA.
- Overall, consolidated Profit After Tax increased by 64% y-o-y at ₹4,805 crores which is the highest ever in the history of the Bank.
- Our ROA at consolidated level for the year improved to 1.33% from 0.93% last year. The annualised ROA for Q4FY22 was 1.51%.
- We closed the year with a capital adequacy ratio of 18.42%, PCR at 72% with significant buffer provisions outside PCR, Credit Deposit ratio at ~81%, operating profit margin close to 6% of loans – all these parameters are at their best levels in the last several years.

Our work has also been acknowledged and rewarded at various reputed forums and platforms. In the last year, the Bank has been bestowed a number of awards. Some notable ones are:

- 'Best Saving Product' Award by Financial Express at the FE Best Banks Awards 2020-21.
- Global 'Celent Model Bank - 2022' Award under Enterprise Payments Hub (EPH) initiative program.
- Outstanding Digital CX - SME Payments' for its Indus Merchant Solutions at CX Awards 2022.
- 'Best Bank for ESG – India' at the Asiamoney Best Bank Award 2022
- Awarded as #1 - Best Financier for 2021 at JCB India Annual Financiers Awards 2021. IndusInd Bank has won this award for 5 years in a row.

Post the pandemic, we have seen consistent shifts in customer behaviour towards digital. The Bank has embarked on our Digital 2.0 strategy. We have created a Digital Centre of Excellence taking a comprehensive view to deploying new-age digital platforms and built end-to-end digital client value propositions. FY2021-22 saw our vision on Digital 2.0 being progressed and the Bank has launched a number of its planned digital initiatives:

- Indus EasyCredit offers an end-to-end digital journey for instant Personal Loans and Credit Cards.
- Indus EasyCredit for Business, a digital-first offering for banking needs of MSME customers.
- Indus Merchant Solutions App, a one-stop solution for merchants of all size bringing all their payment, lending and banking needs under a single umbrella.
- Indus EasyWheels, a portal for used vehicle ecosystem.

These initiatives have shown great traction in their early days of launch and should see further fillip with effective marketing drives. We are also progressing well on our planned digital launches focused on Individual and SME segment and you will soon hear from us about these. Overall, we aim to continue our execution on Digital 2.0 strategy with planned launches and scaling up the existing initiatives.

I think with focused execution on strategic priorities, the Bank is progressing well towards its vision of delivering long term sustainable growth. We also addressed whistleblower allegations that we received during the year with comprehensive internal and external reviews. We now have a long growth runway ahead and I, along with the management team, of the Bank are committed to delivering on our strategic goals and driving long-term stakeholder value.

I would also like to provide my sincere gratitude towards regulatory authorities for their constant support. My appreciation to my colleagues and members of the Board for guiding and supporting the management team in its endeavours. The Bank has an extremely strong franchise of ~32 million customers. I would also like to acknowledge the support of our customers and our highly committed and capable workforce for delivering seamless banking in these tough operating environments.

Sumant Kathpalia  
Managing Director & CEO

## Key Business Highlights (Standalone)



Net Profit at  
**₹4,611 Crores**

Net Interest Margin at  
**4.11%**

PPOP up by **9.48%**  
to **₹12,839 Crores**

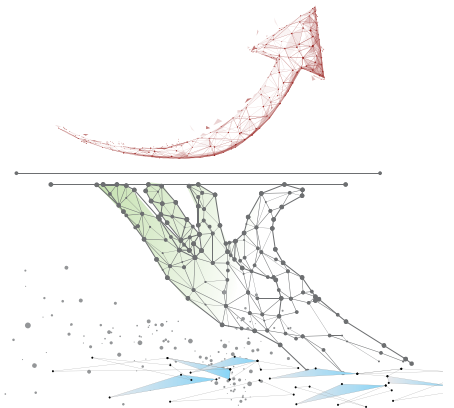
PCR at  
**72.27%**

Deposit up by **15%**  
to **₹2,93,681 Crores**

Capital Adequacy  
Ratio (CAR) at **18.42%**

Increased Network  
**2,265** Branches  
**2,767** ATMs

Book Value per share  
**₹611.29**  
CASA ratio at **43%**



## Ratings

### Domestic Rating:

- ★ **CRISIL AA+** for Infrastructure Bonds Program/Tier-2 Bonds
- ★ **CRISIL AA** for Additional Tier-1 Bonds Program
- ★ **CRISIL A1+** for Certificate of Deposit Program/Short-term FD Programme
- ★ **IND AA+** for Senior Bonds Program/Tier-2 Bonds by India Ratings and Research
- ★ **IND AA** for Additional Tier-1 Bonds Program by India Ratings and Research
- ★ **IND A1+** for Short Term Debt Instruments by India Ratings and Research

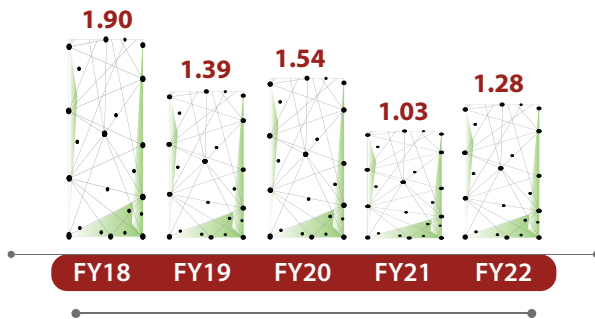
### International Rating:

- ★ **Ba1** for Senior Unsecured MTN Programme by Moody's Investors Service

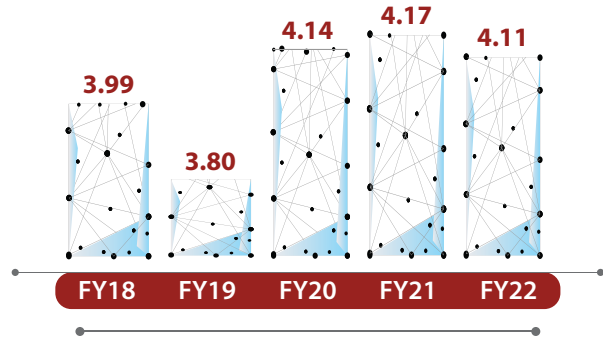
# Stronger Fundamentals



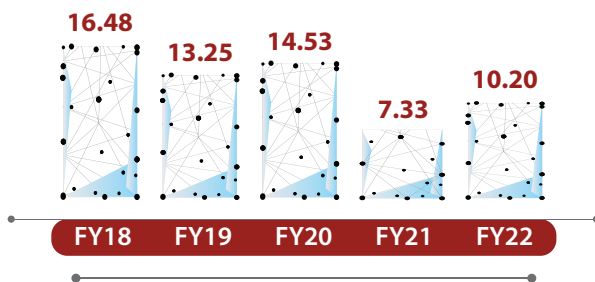
### Return on Assets (%)



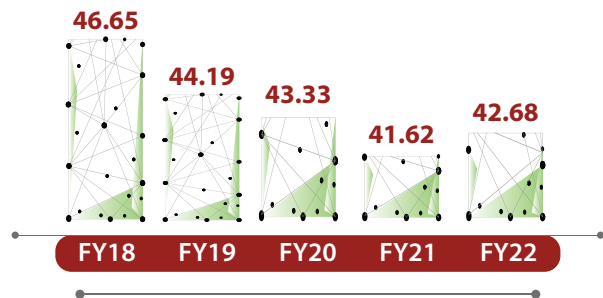
### Net Interest Margin (%)



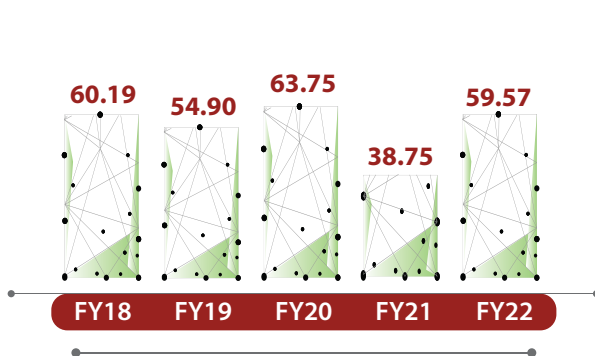
### Return on Equity (%)



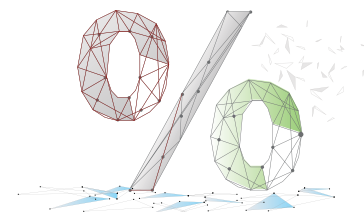
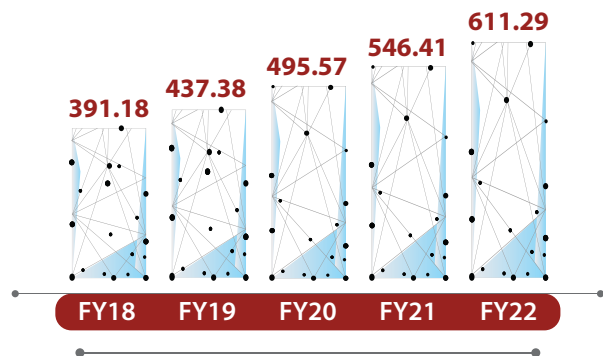
### Cost to Income (%)



### Earnings per Share (₹)



### Book Value per Share (₹)



## Board of Directors



**Mr. Arun Tiwari**  
Chairman



**Mr. Shanker Annaswamy**  
Director



**Dr. T. T. Ram Mohan**  
Director



**Mrs. Akila Krishnakumar**  
Director



**Mr. Rajiv Agarwal**  
Director



**Mr. Sanjay Asher**  
Director



**Mrs. Bhavna Doshi**  
Director



**Mr. Jayant Deshmukh**  
Director



**Mr. Sumant Kathalia**  
Managing Director & CEO



**Mr. Pradeep Udhas**  
Additional Director (w.e.f. June 9, 2022)

# Management Team



**Mr. Sumant Kathpalia**  
Managing Director & CEO



**Mr. Arun Khurana**  
Deputy CEO



**Mr. S. V. Zaregaonkar**  
Chief Operating Officer



**Mr. S. V. Parthasarathy**  
Mentor - Consumer Finance



**Mr. Sanjeev Anand**  
Head - Corporate,  
Commercial, Rural &  
Inclusive Banking



**Mr. Ramesh Ganesan**  
Head - Technology and  
Corporate & Global Market  
Operations



**Mr. Zubin Mody**  
Chief Human  
Resources Officer



**Mr. Ramaswamy Meyyappan**  
Chief Risk Officer



**Mr. Bijayananda Pattanayak**  
Head - Gems & Jewellery



**Mr. Soumitra Sen**  
Head - Consumer Bank &  
Marketing



**Mr. Gobind Jain**  
Chief Financial Officer



**Mr. Anil M. Rao**  
Head - Consumer Operations  
& Solution Delivery



**Mr. Samir Dewan**  
Head - Affluent Banking  
& International Business



**Mr. Rana Vikram Anand**  
Head - Pan Bank Liability  
Group, Customer Service  
& Synergy



**Ms. Roopa Satish**  
Head - Portfolio  
Management & CSR



**Ms. Charu Sachdeva Mathur**  
Head - Digital Banking  
& Strategy (Existing Business)



**Mr. Anish Behl**  
Head - Wealth & Para  
Banking



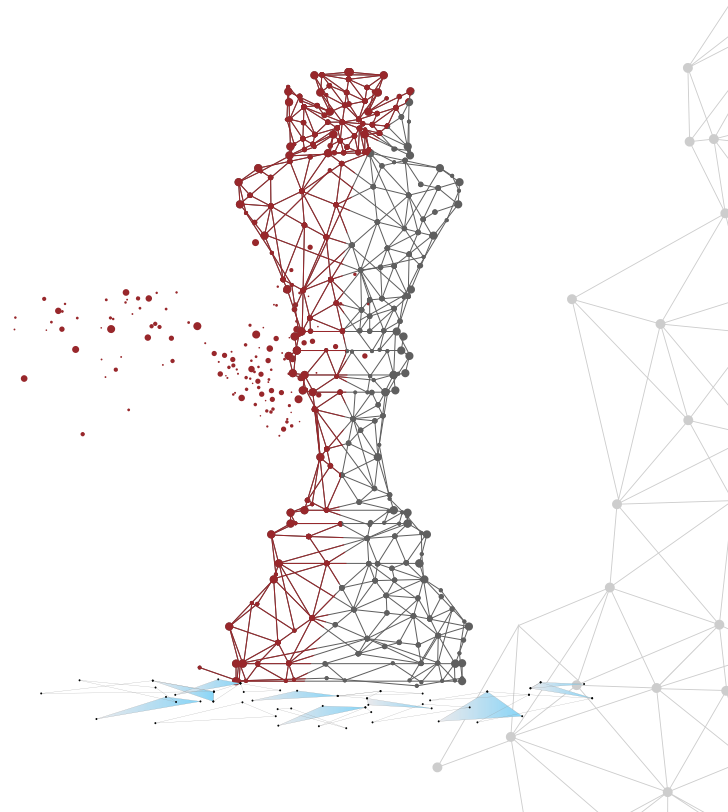
**Mr. Siddharth Banerjee**  
Head - Global Markets & FIG



**Mr. A. G. Sriram**  
Head - Consumer Finance



**Mr. Jyoti Prasad Ratho**  
Head - Inspection & Audit



# Awards & Accolades



★ **The Asset Asian Triple Awards 2021**

**Treasury, Payment and Working Capital Category**

- Best in Treasury and Working Capital Public Sector India
- Best Payment and Collection Solution India AutoPe Payment Solution
- Best Payment and Collection Solution India Cashfree Payments India
- Best Payment and Collection Solution India - Nupay
- Best Payment and Collection Solution India - Maharashtra State Cooperative Cotton Growers Marketing Federation

**Supply Chain Finance Category**

- Best Service Provider (India) Distribution Finance 3rd Year in a Row
- Best Supply Chain Solution: India - Dell India
- Best Supply Chain Solution: India - Haler Appliances (India) P. Ltd.
- Best Supply Chain Solution: India - APL Apollo Tubes Ltd.

★ **Ashok Leyland Product Funding 2020**

Ranked #2 in the Annual Financier Award

★ **FICCI CSR Awards 2019-20**

- Environment Sustainability for Drain Restoration Project, Gurgaon
- Inclusive Development of PWDs for IndusInd Bank Para-Champions Programme

★ **BNY MELLON STP Award 2020**

The CGMO Trade & Remittance Operations team received the 2020 BNY Mellon STP Award in recognition of achieving an exceptional STP rate of 96.37%

★ **VMware Customer Excellence Award 2021**

Global VMware Customer Excellence Award for Improved Customer Experience

✦ **Finacle Innovation Awards 2021 (Nov 21)**

- COVID Response Innovation for Indus EasyCredit for Individuals
- Ecosystem-led Innovation for Account Aggregator Framework

✦ **DigiDhan Awards 2020-21**

Utkarsh Puraskar of DigiDhan Award 2020-21 for achieving 1<sup>st</sup> Highest percentage of Digital Payment Transactions, Category: Large & Medium Pvt. Sectors Bank

✦ **Global Celent Model Bank Award**

Payments System Transformation for building a best-in-class Enterprise Payments Hub (EPH)

✦ **JCB India Annual Financiers Awards 2021**

Ranked #1 - Best Financier for 5 years in a Row

✦ **FE Best Banks Awards 2020-21**

Best Savings Product

✦ **Outstanding Digital CX - SME Payments Award**

For its flagship mobile application for merchants - Indus Merchant Solutions

✦ **CSR TIMES Award 2021**

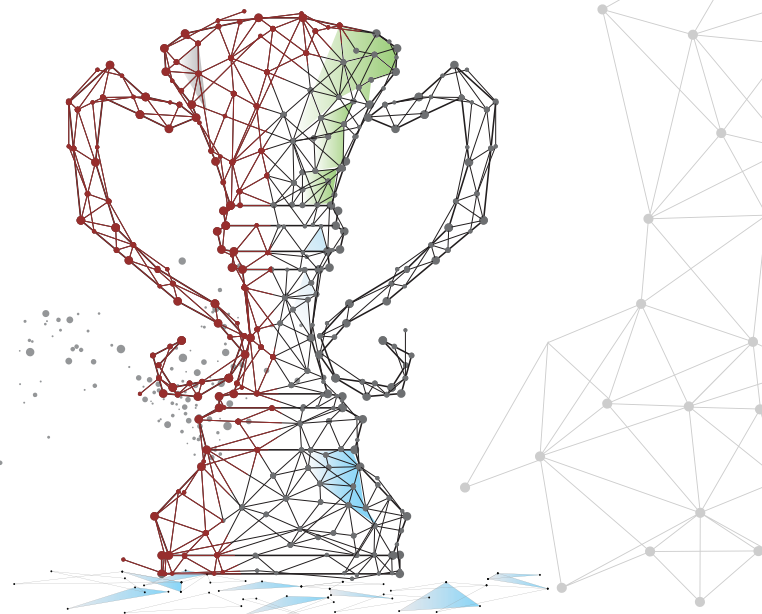
- For CSR Project Water Resource Development & Management in Environment, Climate, Forest, River/Water Waves Category
- For School Academic Improvement Program in Education Category

✦ **The CSR Universe COVID Response Impact Awards 2021**

Award of Excellence in Promoting Sports

✦ **CII National Awards for Excellence in Water Management 2021**

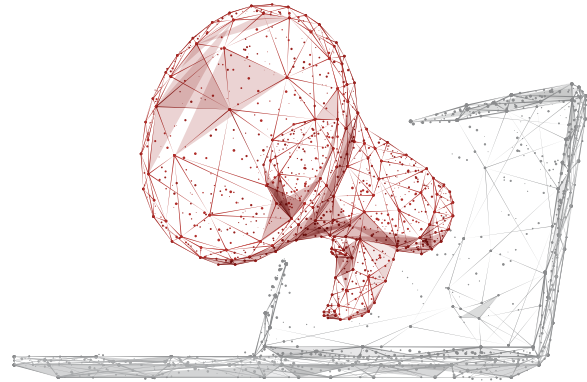
To the Project PRAGAT - Implemented by BFIL



# Marketing & Communications









IndusInd Bank has been a pioneer in undertaking initiatives that have redefined the banking landscape. Over the last 28 years, the Bank has constantly leveraged the latest technology to offer customers innovative banking solutions through multiple touch points, thereby making them a 'priority' in whatever we do. We have pushed the envelope, and have come together as a team to establish a strong 'universal' banking model, and consolidate our position as one of India's leading financial services brands. The Bank's Marketing & Communications strategy has always been aligned with this vision, wherein campaigns have been designed to understand stakeholders' interests and engage with them in their world.



## Indus Merchant Solutions

One of the key initiatives to go-to-market, this year, was Indus Merchant Solutions (IMS), an all-in-one app designed exclusively for merchants and retailers across segments, which caters to their banking, payments and loan-related needs. In order to create a distinctive look for the campaign and to create a cut-through for the segment, noted film and theatre actor, Mr. Paresh Rawal, was roped in as a celebrity face for the IMS launch campaign. The campaign had both digital and print legs to it. Developed long-format videos, along with shorter edits, which focused on all the critical features of the proposition. Print ads were developed with Mr. Rawal posing as an advocate for the App. The features highlighted in the campaign included:

-  All-in-one app - for banking, loan and payment needs
-  Pre-approved loans - instant, and without any security
-  One-stop payment solution with POS, QR Code and PayByLink
-  Paperless account opening
-  Auto-settlement of payments
-  Digital ledger for managing credit ledger conveniently

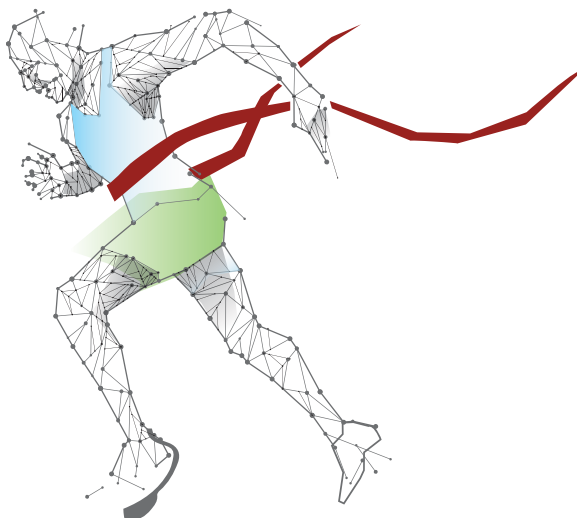


The strategically planned campaign, covered print (national and vernacular dailies), digital and other offline media to create an optimum impact amongst the target group. The print campaign covered 19 select cities. Full-page jacket ads were published in The Times Of India & The Economic Times, along with follow-up vernacular quarter-page ads in 6 key languages.

The digital media played a pivotal role in the campaign. Two long-format films were released on YouTube and social media platforms like Facebook, Instagram, Twitter & LinkedIn, along with shorter edits. The videos garnered 20-million views over the period of the campaign. Marquee outdoor sites at Metro Stations were identified, and an attribute-centric communication plan, featuring Mr. Paresh Rawal, was deployed to create appropriate recall-value.

## Paralympics Campaign

IndusInd Bank, in partnership with GoSports Foundation – a Bengaluru-based NGO, supports **43 para-athletes** across 7 disciplines from 14 states across the country. Around **21** of the total supported para-athletes represented the country at the 2020 Summer Paralympic Games in Tokyo, comprising nearly 40% of the overall Indian contingent that competed across disciplines such as Javelin Throw, Shooting, Swimming, Archery, Badminton, High Jump and more. With a view to commemorate the qualifications, IndusInd Bank launched a brand campaign titled - '**phirse #JeetKaHalla**', which spoke about the rigours of the preparation undertaken by its para-athletes. As part of the campaign, the Bank also unveiled a heartwarming and inspiring '**Anthem**' that showcases the grit and determination of these athletes. The Bank gave this initiative a wider reach, by embarking on a comprehensive **digital media** campaign that created the right impact, and mobilised the momentum of seeking encouragement for these athletes.



- The Bank published two full-page ads across all editions of Times of India and Economic Times. Both ads were front-page jackets that got published across 33 cities.
- The film – Phirse #JeetKahalla that was shared through the Bank's social media handles garnered over 30-million views across platforms, including Facebook, Twitter, LinkedIn, Instagram and YouTube.
- The Bank unveiled a new website for the 'Indus For Sports' vertical, which received over 2-lakh hits during the Paralympics campaign.
- The campaign also witnessed 630 social media influencers tweeting about the Bank's association with para-sports.
- Total impressions which primarily pertain to the number of people who saw our digital assets of the campaign, like banners and the film, across platforms were over 80-million.

## Sara Ali Khan Campaign

A digital-first campaign with noted film actor, **Ms. Sara Ali Khan** was launched in FY2021-22. The campaign showcased the Bank's robust suite of offerings, attractive interest rates, digital banking platforms, and much more. Four short format videos were released on the Bank's social media platforms - YouTube, Facebook, Instagram, LinkedIn and Twitter. The videos, which were created to develop awareness about the Bank's 'Auto Sweep' facility, high-interest rates, attractive offers on IndusInd Bank Debit & Credit Cards, online savings account, Video-KYC facility, and cyber security, garnered over 2-million views across social media platforms. A full-page jacket ad was released across the country in The Time Of India and The Economic Times under the theme – 'Ultimate Savings Account'. The ad showcased the diverse set of useful features of an IndusInd Bank Savings account, which makes it one of the most attractive savings bank accounts in the market. The ad also showcased the 'FE Best Savings Product Award' that the Bank recently won.



## Club Vistara IndusInd Bank Explorer Credit Card

The Club Vistara IndusInd Bank Explorer Credit Card is a new addition to the IndusInd Bank Asset family. The Credit Card was launched in collaboration with Vistara Airlines and was positioned to attract travel enthusiasts by making them relish the luxury of best-in-class privileges that both IndusInd Bank as well as Club Vistara have on offer. The Club Vistara IndusInd Bank Explorer Credit Card offers customers up to 5 Complimentary Business Class Ticket Vouchers\* on milestone spends every year, Zero Foreign Currency Mark-up on all international spends, and up to 8 Club Vistara Points for every ₹200 spent. To fly this precious card into the hands of its users, we did a 360-degree marketing and advertising campaign. We launched the card with a beautiful and informative digital film which was supported by various posts on our social media handles. We also got an entire front-page print ad published in The Times Of India and The Economic Times, along with ATM screens and posters, translikes, as well as kiosks at airports and metro stations. These activities helped in generating 1,100 leads during the promo period.



## IndusInd Bank Platinum Aura Edge Credit Card (For Govt. Employees)

The Platinum Aura Edge Credit Card is a new endeavour of the Bank, which was exclusively launched for government employees. With this card, we wanted government employees to enjoy the benefits of an extraordinary life, wherein everything on offer is extra – savings, perks and rewards. The Platinum Aura

Edge Credit Card offers a host of benefits that include 1% cashback on all retail spends, 1 assured BookMyShow ticket of up to ₹200 every 6 months in a calendar year, reduced interest rate of 2.99% per month, waiver of fuel and railway surcharge, reduced Interest rate of 1.1% per month with no processing fee on converting transactions and balances into EMI and zero-cash advance fees. Considering its target audience, we promoted the Platinum Aura Edge Credit Card through digital emailers that were specifically targeted at government employees. This gave us visibility across 10 government organisations on the launch-date itself. We also spread the message through emailers, WhatsApp messages for branches and DSA channels. Constant communication posts were put up on our social media handles to engage with relevant customers, which helped us generate over 450 leads in a span of 15 days.

## Retail Assets

Retail Asset products were one of our major focus areas for this year. Appended below is a snapshot of our deliverables.

- We did social media campaigns comprising various videos and posts for all 11 products that were further supported by knowledge emailers, product USP emailers, WhatsApp messages targeting the customers/sales team/DSAs and branches.
- Deployed asset posters across 275 branches for customer visibility and acquisition.
- Supported the business teams with branch and DSA welcome kits (1,000 and 500 respectively).
- Supported the CC/LAP/BL/LAS/LACRGL/HCF/Agri-business team with sales collaterals like Banners/Leaflets/Standees/Kiosk for Branches and DSA channels.
- Supported the launch of the Indus Krishi Udyam (ABG Group) by doing an OOH campaign across 35 locations, and deploying posters at 81 branches.

## Indus Moments

Indus Moments, which started as a reward redemption website, has now grown into a full-fledged portal that offers discounts, offers, vouchers, flight bookings, and more. Apart from this, it also hosts an online concierge programme that offers various value-added services to our customers at their fingertips. Time and again, various updates and integrations were made to keep this platform relevant to customers by providing a seamless and interactive platform. Several big and new brand-related offers have been updated on a regular basis, which has resulted in a steady increase in visitor-traffic to the portal. Currently, the website has over 1,30,000 unique visitors every month.

## Launch of PIONEER Lobby

Two new PIONEER branches were opened in Chandigarh and Kolkata with much fanfare in this financial year. As part of the launch plan, and to build awareness about the opening of the PIONEER branch in Chandigarh, two full front-page ads were released in The Tribune, and The Hindustan Times, in November 2021. The ad focussed on showcasing the unique benefits of the PIONEER programme and invited readers to visit the unique, state-of-the-art PIONEER lobby to experience a one-of-a-kind premium banking, and wealth management programme.



## NRI Homecoming

With a dip in COVID-19 cases across the country, and travel restrictions being lifted gradually, NRIs were expected to plan their much-awaited visit to India to meet friends and family. In a bid to capitalise on this opportunity, and grow our NRI Savings and Fixed Deposit books significantly by ramping up NRI NTB Acquisition and engaging with existing NRI customers, The NRI Home Coming Campaign was launched in November 2021. For each NRI customer onboarded, during the period of the activity, the Bank contributed towards providing aid to underprivileged children through a reputed NGO - Akshaya Patra Foundation. In addition to this, complimentary heritage walks were organised for both existing and new NRI Clients. The itinerary covered 10 cities over a period of two months. Our marketing efforts included a large-scale radio campaign, which commenced on December 21, across key NR markets, viz. Delhi, Mumbai, Chennai, Hyderabad, Chandigarh, Bengaluru, Ahmedabad, Vadodara, Trivandrum, Jalandhar, Kochi, Kozhikode and



Pune. Marquee outdoor sites were taken for the campaign at airports in Chandigarh, Bengaluru, Mumbai and Bhubaneswar; Metro stations at New Delhi's Okhla, Noida and Mumbai's Chakala carried the campaign communication too, along with other collaterals and D2C communication that were developed.

## FD Radio Campaigns

IndusInd Bank executed a strategically planned radio campaign on the Bank's Fixed Deposit proposition which aired in 5 languages, viz. Hindi, Bengali, Tamil, Telugu and Kannada. The radio campaign was aired across 16 markets. The key idea behind the campaign was to communicate best-in-class FD interest rates and attractive Savings Account interest rates to the audience. Other than standard radio spots, the campaign also used multiple RJ mentions and sponsorship tags.

## Customer Awareness Initiatives

The Bank continued to educate customers about its digital banking platforms and offerings. The Bank continued to amplify the theme 'Invested in your best Interest' on social media. The campaign focused on promoting the Bank's online savings account, its robust features, and best-in-class interest rates. The communication also focused on educating customers about cyber security and banking safety.

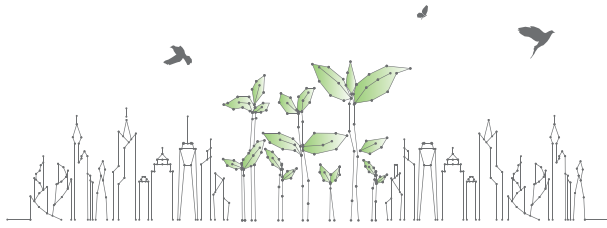
## Branding & Naming Rights of OKHLA NSIC Metro Station

To further strengthen the brand's presence in one of the key markets for the Bank, a large-scale marquee property was identified in the heart of New Delhi - OKHLA NSIC Metro Station. Located on the Outer Ring Road, this is one of the busiest metro stations in South Delhi. The station is close to one of the main industrial and manufacturing hubs and is in the same vicinity as some major commercial complexes, hospitals and popular temples. The Bank acquired the complete naming and branding rights of the station. The property boasts of a larger-than-life facade and has abundant real-estate space available for branding, both inside and outside the station.

## Alliances and Tie-ups

In order to give something extra to customers, the Bank forged some strategic alliances with an intent to boost the imagery, and catalyse the usage of cards. We were able to get special partners on-board to engage with our customers and offer lucrative deals. These partnerships were done with marquee brands, across categories including Travel, Lifestyle, Food & Beverage, Health & Wellness and more.

## Beyond Banking



The Bank is committed to running its business in a way that generates sustainable value for its customers, clients, shareholders and employees. The Bank also recognises that since its sphere of activity and influence extends beyond the boundaries of the financial system, it needs to work through various initiatives for social upliftment and environmental conservation. Placed below are a slew of initiatives, which have spearheaded the Bank's efforts beyond the banking domain. The Marketing & Communications team has crafted customised messages for each of them to create awareness among all the stakeholders of the Bank.

### 'Ebar Pujo, Sobar Pujo'



IndusInd Bank organised its 4th edition of 'Ebar Pujo Sobar Pujo' initiative in partnership with 'Rotary Club of Calcutta Magnum' and 'Rotaract Club of Contemporary Kolkatans' & Heritage Global Bengal to commemorate the auspicious festival of Durga Puja. During this

event, 30 branches of IndusInd Bank, across 9 cities, initiated a drive of collecting new clothes for children from clients, as well as apartments, located in the vicinity of the branches. The branches collected over 1500 new clothes that were donated to an orphanage for children. The giveaway ceremony was graced by Mr. Nick Low, British Deputy High Commissioner and his wife who were the Chief Guests, along with other distinguished dignitaries.



### Initiatives on Mother's Day & World Environment Day

On the occasion of Mother's Day, the Bank launched an initiative titled – 'Touch of Imagination' targeting children. The initiative featured creative work on art, craft and essay writing that were done by over 21,000 children at over 600 branches. All the participants were awarded participation certificates. On the occasion of World Environment Day, workshops, quiz and art competitions were organised with a focus on re-building the environment. Tie-ups with radio channels with RJ influencer campaigns were done to promote it on air. More than 37,000 children participated in this campaign across 725 branches.



### Commemorating Days of National & International Importance through communication

Communicating both internally and externally about the Bank's initiatives under CSR & Sustainability is important for brand building. Over the last year, the Bank commemorated days of National and International importance by creating short videos and spreading the word through its social media assets, and employee-based emailers. This was done for significant days like – 'World Youth Skills Day', 'National Teacher's Day', 'World Heart Day', 'World Cancer Day', 'International Women's Day' and World Water Day. Cumulatively, these videos have generated nearly 10-lakh views across social media.

### Festival of Hope

On the auspicious occasion of Ganesh Chaturthi, IndusInd Bank organised the 'Festival of Hope' across Mumbai. In collaboration with Family Service Centre, a Mumbai-based NGO, the Bank commemorated the onset of the festive season by presenting new clothes, books and toys to over 100 underprivileged children.

## Webinars

Webinars were organised on the occasion of International Yoga Day and Father's Day. Digital Workshops were done that emphasised the need for reducing screen-time for children, health & nutrition, wellness, art therapy, Origami and t-shirt painting, meditation and mindfulness. These sessions witnessed active participation from clients.

## Zonal Initiatives

In a bid to engage with its clientele, the Bank's zonal teams conducted various engagement initiatives like Golf Masterclasses in Mumbai and Pune entered into exclusive partnerships with FICCI FLO Mumbai Chapter, facilitated participation in Industrial Expos as well as conducted joint sessions for women entrepreneurs, and guided them on the role of banks in developing women entrepreneurship in India.



## Employee Engagements and Activities

IndusInd For Sports, a non-banking sports vertical, was launched in 2016, with an objective to inspire communities inside and outside the Bank, using the unique power of sports. Through various initiatives across platforms, IndusInd For Sports has ensured continued support to athletes under its program, and has promoted health and fitness within the organisation.

## Get Set Run

Get Set Run – the Bank's biggest employee engagement initiative has been successfully running since its inception (2016). Under this initiative, employees are encouraged to take up running with the objective of having an active and healthy work-life. During the pandemic, 'IndusInd For Sports' kept its sportsman spirit alive through virtual engagement while abiding by COVID-19 protocols. With limited visibility of on-ground running events, an engaging one-of-a-kind virtual running series, titled 'Cause-a-thon' was launched with an objective to encourage employees to participate in virtual runs to commemorate topical days like Earth Day, World Water Day, Doctors Day, Mental Health Day, National Cancer Awareness Day and more. The virtual run enabled participants to run or walk anytime and anywhere by recording their activity data on any GPS-enabled app. Internal emailers were disseminated before every run, thereby urging employees to participate in large numbers. A total of 30 'Cause-a-thon' runs were conducted, which witnessed a participation of over 3,000 employees covering a cumulative distance of approximately 52,000 km.



## Couch to 5K

'Couch to 5K' was an adrenaline-pumping, power-packed campaign for employees, which aimed at helping them run a distance of 5K in just 8 weeks. It comprised a well-structured and informative plan curated by one of our employees, who is also a certified fitness coach from the American Council of Exercise. This informative training campaign covered educative videos on warm-up essentials, consistency, intrinsic motivation, building habits, injury prevention, nutrition, rest and recovery to name a few. These videos were then circulated internally through weekly emailers.



### IndusInd Box Cricket League

An inter-department box cricket league was conducted in Delhi NCR and Mumbai to promote the spirit of camaraderie and teamwork among employees. Emailers for participation were sent out, which resulted in the creation of 60 teams comprising over 600 employees who competed for the winner’s trophy.



### IPL – IndusInd Prediction League

A fun digital campaign was created around the IPL season of FY2021-22 to educate, excite and engage our employees by providing trivia/information on athlete performance, participating teams etc., which culminated in a thrilling competition about predicting the course of each game.

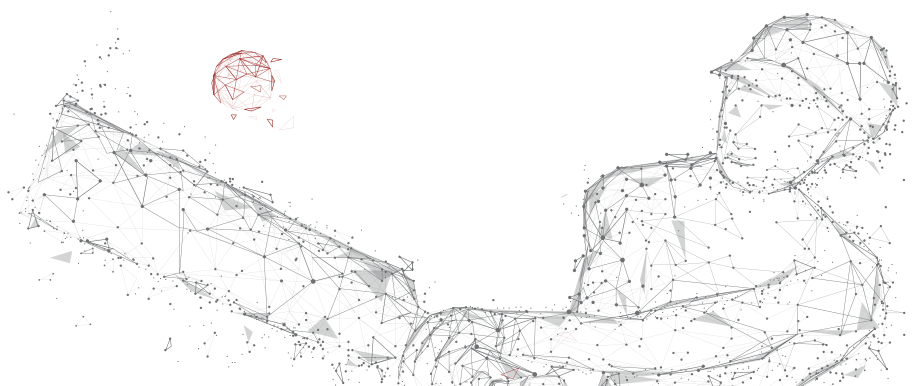
### IndusInd Joy of Giving Festival

The ‘IndusInd Joy of Giving Festival’, in partnership with the NGO – Goonj, was launched on National Children’s Day by our Managing Director & CEO, with a view to support underprivileged children. Over a period of four weeks, employees were requested to donate stationery, toys, clothes and shoes. As an option, employees were also given the choice of making financial contributions, which the Bank would match. This initiative witnessed participation from over 12,000 employees, which also helped the Bank make 225 cartons of material donations.



### Activities to Reinforce Brand Image

The Bank has always extended support to the field of art, music, sports and the environment through various kinds of sponsorships. To begin with, the Bank collaborated with the Sanctuary Nature Foundation to organise their Annual Sanctuary Wildlife and Photography awards, which recognises individuals working for the conservation of wildlife and natural habitats in India. The Bank has also made some rather fine investments in the field of Fine Arts, and has been associated with ‘Art for Concern’ by Secure Giving Foundation, a charitable exhibition-cum-sale event that helps the Bank achieve dual purposes of promoting art and helping the underprivileged. Other notable associations undertaken by the Bank during the year include Isha Utsav and Uttung Sanskrutik Pariwar Trust.



# Sustainable Community Development through CSR



## SATTVAM – Our Country, Our Commitment



The Bank's CSR programs guided by the CSR policy are implemented with a mission of designing sustainable initiatives that empower and benefit marginalised and weaker sections of society, high-risk and high-stressed communities. The Bank has touched more than 2-million lives through several need-based initiatives across the nation in FY2021-22.

### Environment

The Bank's core sustainability philosophy of 'Good Ecology is Good Economics' is extended beyond the fence through CSR initiatives on environmental conservation. Projects on Water Stewardship are carried out in rural water-stressed landscapes. Along with water security, these interventions translate into income enhancement, community institution strengthening and climate resilience.

Other activities like restoration of water bodies (lakes and drains), afforestation, and renewable energy solutions for hospitals were also undertaken.



**690**  
Villages



**6 lakh**  
Beneficiaries



**19,400**  
Ha Land Treated



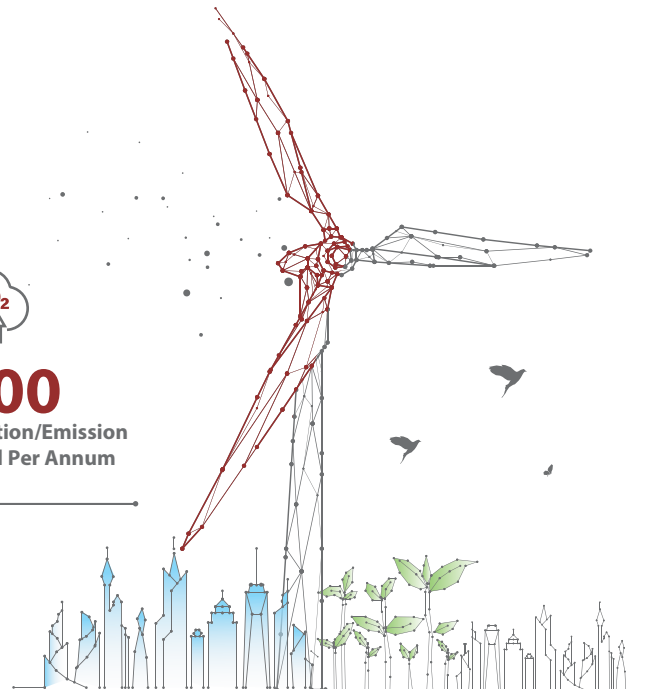
**515**  
Cr Litre Water  
Harvesting Capacity



**52,000**  
Trees Planted



**1,400**  
MTCO<sub>2</sub> Sequestration/Emission  
Saving Potential Per Annum

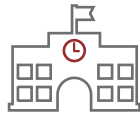


## Education

Education interventions catered to developing learning outcomes of school children with improved methods and pedagogy through teacher training. The community is also involved in the children's education program for the child's overall development. Such programs are run mostly in government schools or schools that are remotely located. Scholarship support is also provided to academically accomplished but financially poor students for higher education.



**1.58 Lakh**  
Students



**3,600**  
Schools



**8,200**  
Teachers



**2.16**  
Crore Rupees Worth of  
Scholarship Provided

## Healthcare

Support for screening, diagnosis, treatment, surgeries and infrastructure support (e.g. equipment) for critical and cost-intensive ailments like pediatric and general cancer, pediatric congenital heart disease and HIV are provided. Tie-ups with institutions working on a large scale and catering to disadvantaged patients are done. The Bank also supported PwDs with customised aids and appliances for better mobility and awareness.

Initiatives catering to high-risk pregnancies, the health of adolescent girls and NCDs were initiated.



**2.39 Lakh**  
Beneficiaries



## Sports

The sports programs focus on inclusion (gender, differently-abled and the underprivileged) and sporting excellence. Athletes, who are scouted and supported, compete at national and international sports tournaments to win accolades for the nation.



**867**

Sportspersons



**51**

Tournaments



**160**

Medals/Wins



## Skilling and Livelihood



Batches of short-term courses in employable skills were carried out in line with NSDC guidelines for youth in general and for PwDs. Two technology integrated livestock development programs improved the

livestock life and productivity and as well as the incomes of the farmers enrolled in the program.



**2,500**

Youth Skilled



**12,000**

Average Salary/  
Month












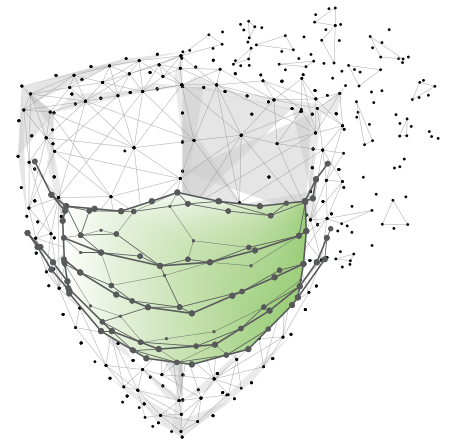
**2.65 Lakh**

Beneficiaries  
from Livestock  
Programs

## COVID Relief

The Bank continued with its support for COVID relief. Efforts were prioritised towards support of health infrastructure, especially for Oxygen availability and Vaccination support and awareness. The relief strategy was demarcated into short-term (immediate needs) and long-term (building and strengthening medical system) in mapped priority geographies with the most severe COVID cases.

-  719 Oxygen Concentrators/Cylinders provided to various state administrations
-  5,000 RTPCR testing kits to government hospitals
-  Medicine, food, nutrition and rehabilitation support to 4,783 people living with disability
-  50,097 safety gears like N95-surgical Masks/Gloves, PPE kits supplied
-  5.27 lakh Vaccinations
-  1 Oxygen Plant installed
-  11 Mobile medical vans/ambulances to support doorstep vaccination and testing facilities at remote locations
-  5,350 Oxymeters/Thermal Scanners supplied
-  303 ICU beds/ monitors/Bi-pap machines/ventilators/X-ray machines provided to health centres
-  1,000 women who lost the earning member of their family were provided with sewing machines



**10,00,000**  
**Beneficiaries**

## Flagship Program

A Holistic Rural Development Flagship Program was designed and launched in two Aspirational Districts (as per NITI Aayog). The program is planned to integrate community involvement, collaborations at district, state and centre, the convergence of government schemes, technology & innovation and data-backed assessment, and will be implemented over a period of 10 years.

This long-term program is designed to create maximum societal impact in the priority geography of the Bank. The primary focus is on the economic empowerment of rural households.



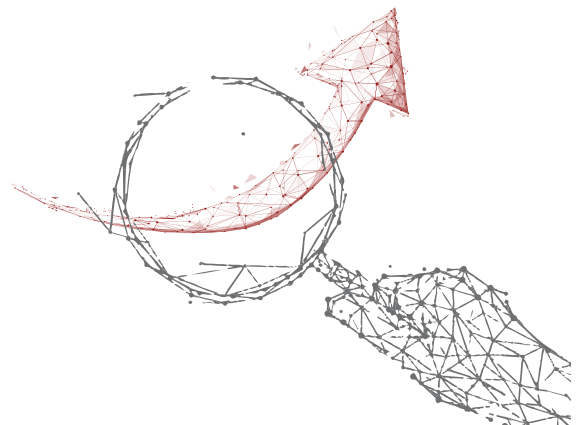
# Management Discussion & Analysis



**FY2021-22** was another turbulent year for the Indian economy, even as it regained its pre-pandemic size by the end of it. A second and more severe wave of the COVID-19 pandemic engulfed the country during the first quarter, prompting many states to impose a slew of movement restrictions. While the impact of the second wave on the economy was lower than the first wave, the rural economy saw severe higher stress due to a sharper and deeper spread in the second wave. Over the rest of the year, growing coverage of the vaccinations of the adult population and better healthcare infrastructure and treatments bolstered the defences against the pandemic. The Omicron variant-driven third wave in early 2022 had a muted impact on economic activity, mainly restricted to contact intensive services, as states adopted light-touch restrictions. By the end of the year, the pandemic risk had materially reduced, and most movement restrictions were relaxed, allowing the economy to be firmly on a recovery path. Global risks, however, intensified over the second half of the year. Inflation surpassed multi-decade highs in many advanced economies on the back of supply disruptions amidst strong demand for consumer durables and manufactured products. That prompted the US Federal Reserve to start withdrawing the pandemic era-stimulus, with a rate hike of 25 bps in March along with a guidance to undertake a series of hikes in 2022 and a reduction in its \$9-trillion balance sheet. Commodity prices, which had already started moving up, flared towards the end of February in the backdrop of the Russia-Ukraine conflict. Oil prices touched their highest in more than a decade and crossed \$100 per barrel mark. Thus, as the pandemic receded, new risks and uncertainties emerged. As per official estimates, the Indian economy returned to its pre-pandemic size in terms of nominal and real GDP by the end of the year, with estimated real GDP growth of 8.7%. Economic activity, which gained strength in the second quarter with the ebbing of the second wave, lost some pace in the third quarter, exacerbated by the spread of the Omicron variant in Q4. The global economy recorded 5.9% growth in 2021, after witnessing a de-growth of -3.3% in 2020, and the IMF expects growth in 2022 to be lower at 4.4%, on the back of the withdrawal of monetary support in the US and China's zero COVID policy.

Policy environment remained supportive for growth throughout the year. On the fiscal front, higher spending by the government in the wake of the pandemic helped cushion its economic impact. Crucially, with a focus on infrastructure development, capital expenditure increased to 2.5% of GDP

from 2.2% in the previous fiscal and is budgeted to go up to 2.9% of GDP in the FY2022-23. Along with that, the coverage of production linked incentive (PLI) schemes was extended to encourage private investments. Fiscal consolidation was pursued over the year, helped by buoyant tax revenues and containment of revenue expenditure. The fiscal deficit reduced as a result to 6.7% of GDP from 9.2% in FY2020-21 and would be curbed further to 6.4% in FY2022-23. Monetary policy remained accommodative throughout the year, with the MPC holding the Repo rate unchanged at its historically lowest level of 4%. The RBI took another unconventional step in the aftermath of the second wave and announced a government securities acquisition program (GSAP) to buy a pre-announced quantum of government securities in April 2021. Over the first half of the year, the central bank bought ₹2.37 trillion under this facility, helping the government to complete its large borrowings program without a significant rise in its cost of borrowings (6.28% versus 5.79% in FY2020-21). That, in turn, helped other market rates to stay anchored. In support of the accommodative monetary policy stance, large durable surplus liquidity was maintained in the banking system during the year. Starting August, in a bid to normalise the liquidity management operations, the RBI started conducting variable rate reverse repo auctions of various tenors and by Q4, almost 80% of the surplus liquidity was absorbed through these auctions, at rates closer to the Repo rate, as against the much lower reverse repo rate of 3.35%. That, in turn, pushed up the market rates for shorter tenors, thereby initiating the phased process of withdrawing accommodation. Over Q4, sovereign bond yields also faced upward pressure on account of another year of large general government market borrowings planned for FY2022-23, exceeding ₹20 trillion for the third year. That, combined with rising inflationary pressures and a hawkish shift in stance by the US Federal Reserve, saw bond yields move up across the curve. After remaining largely unchanged over the first half of the year, the 10-year bond yield rose by 63 bps over the second half. Yields increased by 38 bps on average across the sovereign curve over the second half.

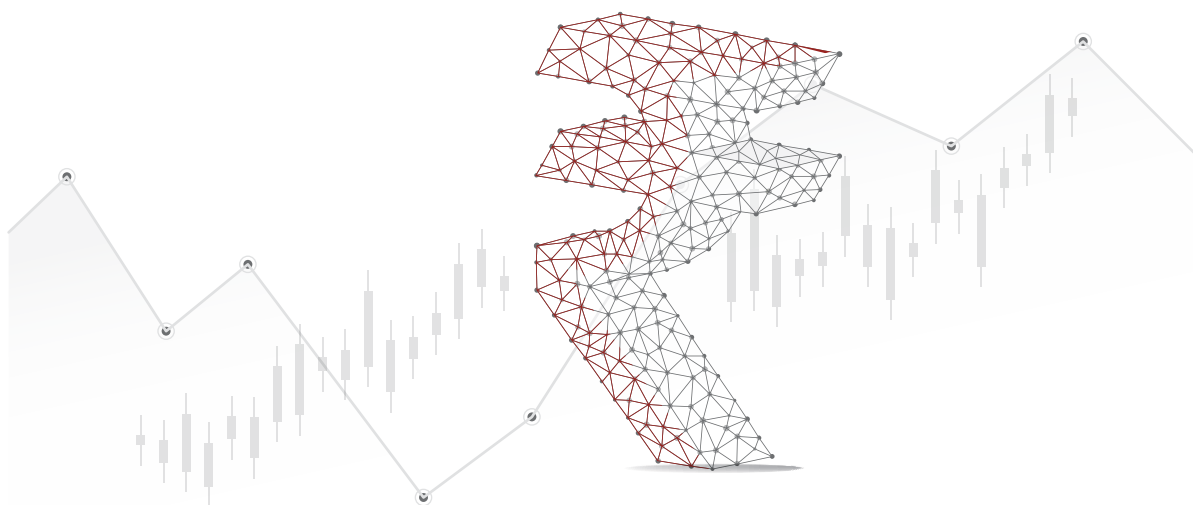


In the banking sector credit offtake picked up with the gradual return of normalcy after the pandemic. Non-food credit extended by scheduled commercial banks (SCBs) rose by 9.7% y-o-y as on March 25 (4.5% a year ago). Credit growth was driven by all the major economic sectors. Personal loans remained the key driver of overall bank credit, with a share of 36% in incremental offtake during FY2021-22. Personal loans grew by 12.4% (10.7% a year ago), primarily driven by housing, followed by vehicle loans. The asset quality of SCBs improved further during the year, with the overall non-performing assets (NPA) ratio declining to 6.5% in December 2021 from 6.8% a year ago, driven by lower NPAs in credit to the industry. Adjusted non-food credit (banks' non-food credit plus non-SLR investments) growth accelerated to 9.1% y-o-y on March 25 from 4.2% a year ago, mirroring non-food credit dynamics. Amidst improving credit offtake, growth in banks' holdings of government securities decelerated, pulling down their excess SLR investments to 9.6% of net demand and time liabilities (NDTL) as on March 25, 2022, from 11% at end-of March 2021.

Towards the end of the year, the global economic setting became very challenging. The Russia-Ukraine conflict pushed oil, food and other commodity prices sharply higher. Amidst that, the US Federal Reserve, looking to curb inflation running at multi-decade highs, initiated an aggressive tightening of monetary policy over 2022. These risks pose a major downside to growth and upside to inflation over the coming fiscal year, especially by adversely impacting private consumption and exports. Following these developments, the RBI has reduced its growth forecast for FY2022-23 to 7.2% from 7.8% and has raised its average CPI inflation forecast to 6.7% from 4.5%.

The Indian economy is in much better position to deal with these external risks, than it was in 2013 during the US taper tantrum episode. A sizeable foreign exchange reserves stock exceeding \$600 billion and providing a 10-month imports cover, widening yet manageable current account deficit and CPI inflation expected to fall below the upper bound of the target range of 6%, provide a stable macro-economic backdrop for growth. Improving investment climate, driven by the government's focus on infrastructure development and PLI schemes, aiming to induce a private CAPEX cycle, is set to emerge as key support for the ongoing recovery. Much improved health of the banking sector, significant deleveraging by the corporate sector, and gradually improving capacity utilisation, further buttress the case for an investment cycle over the next 3-5 years. Public finances have been stretched by the pandemic with a sharp increase in the fiscal deficit of the central government, leading to a significant increase in market borrowings, but buoyant tax collections and improving quality of government spending would help ensure that debt levels fall with fiscal consolidation and as growth picks up. Overall macro-economic stability and strong external fundamentals, along with a flexible exchange rate, would help absorb the negative external spillovers.

In summary, as the economy is turning the corner from a once-in-a-century pandemic shock with the help of strong policy support and a massive vaccination campaign, the intensification of global economic and geopolitical risks pose headwind to the nascent recovery. An improved macro-economic profile, the government's CAPEX push along with external sector buffers, would allow for economic activity to continue to recover with a broadly supportive fiscal and monetary policy environment.



## Business Performance

The financial year 2021-22 witnessed considerable volatility in the economy where activity was impacted by COVID's second and third waves. The economy, however, exhibited sturdiness with activity levels regained to pre-COVID levels across various segments of the economy, supported by effective policy measures by the regulator and the government.

The Bank responded with measures to address the volatility through 1) slower growth in the first half, 2) relentless focus on collections, 3) building conservative contingent provisions ahead of slippages, and 4) maintaining traction on new business and digital initiatives. With COVID-related concerns getting behind us, the Bank steadily pivoted towards growth, with loan growth improving every quarter from 3% in March 2021 to 12% in March 2022.

### During the year, the Bank progressed on its key initiatives for the Planning Cycle-5 (PC-5) strategy:

- **Retail Liabilities Surge:** The Bank maintained momentum on its retail liabilities with an improvement in the share of retail deposits along with increasing CASA ratio from 41.8% to 42.8%, and fall in top 20 deposit concentration from 22% to 17%. The Bank also lowered its cost of deposits to 4.6% in Q4FY2021-22, which is at the lowest level in its journey over several years.
- **Fine-tuning Corporate Bank Approach:** The corporate bank loan book saw growth of 20% and range-bound net slippages of around 60 bps, witnessing one of the best years in the recent past. The Bank also improved average rating, granularity in fees and long-term loan reductions.
- **Holistic Rural Banking:** Rural banking franchise saw scale-up of Bharat Merchant Stores, agri-businesses, along with recovery in vehicle and microfinance. These improved the share of rural loans from 19% to 20% during the year.
- **Scaling up Domains:** The Bank has built expertise in vehicle financing, micro-financing and diamond manufacturer financing. These domains contribute 43% of the loan book and have outperformed the industry during COVID waves. The disbursements in vehicle finance and microfinance picked up well after a brief slowdown due to COVID 2. The diamond portfolio participated in strong growth in exports.
- **New Growth Boosters:** The Bank progressed well in scaling up new initiatives such as affluent banking, NRI banking, tractor financing, small corporates with less than ₹500 crores turnover, merchant acquiring, affordable housing and digital 2.0.



Overall, the Bank navigated an otherwise turbulent year with outcomes broadly aligned with its communication throughout the year. The Bank also had consistent improvement in return ratios as well as growth metrics every quarter, and our balance sheet continues to be at its strongest levels in last several years. This positions the Bank well to participate in the ongoing economic recovery and move towards the Planning Cycle 5 growth ambitions.

While the operating environment remains volatile due to external factors, the Bank will aim towards achieving Planning Cycle 5 ambitions.

### Key priorities for the coming year are:

- 1 **Maintaining disbursement momentum:** The areas of domain expertise, i.e., vehicle, microfinance and diamond, have seen a good recovery in disbursements towards the end of FY2021-22 and the Bank would aim to maintain this traction. The corporate and consumer businesses are also contributing towards growth. The Bank has a PC-5 growth ambition of 15% to 18% compounded growth for the FY2021-23 period.
- 2 **Retail liabilities traction:** The Bank continues to believe in and execute on a liabilities-driven growth strategy, particularly through retail deposits. We are investing in our physical as well as digital distribution to maintain our liabilities momentum.
- 3 **Execution of Digital 2.0 strategy:** The Bank launched 3 out of the planned five initiatives, i.e., IndusEasyCredit, merchant acquiring and vehicle finance portal. The Bank plans to scale these up during the current year, i.e., FY2022-23. The other two, i.e., individual and SME offerings, are planned for launch in FY2022-23.

**4 Launch and scaling up of new initiatives:** The Bank is adding new growth boosters across assets and liabilities businesses. The assets side has planned the launch of home loans, scale up of tractor financing, affordable housing, merchant acquiring and small corporates. Liabilities side includes scale up of affluent, NRI, agency business and wealth management.

**5 Improving financial metrics:** The Bank thrives towards maintaining healthy NIMs and operating profit margins. The Bank has maintained operating profit margin amongst the best in the banking industry.

The Bank is thus committed towards its strategy of 'Scale with Sustainability'. The current year should see underlying profitability of the franchise with improved growth and stable macro-economic factors.

**The salient features of the Bank's Operating Performance during the FY2021-22 are summarised in the table below:**

(₹ in crores)

Particulars	FY2021-22	FY2020-21	Y-o-Y Growth
Interest Earned	30,822.44	28,999.80	6.29%
Interest Expended	15,821.60	15,471.91	2.26%
<b>Net Interest Income</b>	<b>15,000.84</b>	<b>13,527.89</b>	<b>10.89%</b>
Non-Interest Income	7,397.05	6,558.61	12.78%
<b>Revenue</b>	<b>22,397.89</b>	<b>20,086.50</b>	<b>11.51%</b>
Payment to Employees	2,488.34	2,213.51	12.42%
Other Expenses	6,749.74	5,840.91	15.56%
<b>Operating Expenses</b>	<b>9,238.08</b>	<b>8,054.42</b>	<b>14.70%</b>
Operating profit before Depreciation, Provisions and Contingencies	13,159.81	12,032.08	9.37%
Depreciation	321.21	305.41	5.17%
<b>Operating Profit</b>	<b>12,838.60</b>	<b>11,726.67</b>	<b>9.48%</b>
Provision and Contingencies	6,664.95	7,942.53	-16.09%
<b>Profit Before Tax</b>	<b>6,173.65</b>	<b>3,784.14</b>	<b>63.15%</b>
Provision for Tax	1,562.53	947.75	64.87%
<b>Net Profit</b>	<b>4,611.12</b>	<b>2,836.39</b>	<b>62.57%</b>
<b>Net Profit (Consolidated)</b>	<b>4,805.03</b>	<b>2,930.10</b>	<b>63.99%</b>

### Key Balance Sheet Parameters:

(₹ in crores)

Particulars	FY2021-22 (Actual)	FY2020-21 (Actual)	Y-o-Y Growth
Deposits	2,93,681.35	2,56,204.96	14.63%
Advances	2,39,051.53	2,12,595.41	12.44%
Balance sheet size	4,01,974.58	3,62,972.75	10.75%

### Business Performance Highlights

The loan growth for the current year stood at 12.44% from 2.81% a year ago and the reduction in cost of deposits by about 62 bps to 4.76% along with stable NIM, resulted in an increase of 9.48% in the Operating Profit (before Provisions and Contingencies) to ₹12,838.60 crores from ₹11,726.67 crores a year ago. The provisions and contingencies during the FY2021-22 decreased to ₹6,664.95 crores, which was 16.09% lower than the previous year. In view of the uncertain operating environment, the Bank continues to hold contingent provisions of ₹3,178 crores as of March 31, 2022, including an amount of ₹1,160 crores in respect of borrower accounts restructured in accordance with Resolution Framework for COVID-19 related stress. In view of the improvement in the Operating Profit and Asset quality, the Net Profit of the Bank during the year showed an increase of 62.57% to ₹4,611.12 crores over ₹2,836.39 crores earned during the previous year.

The Net Interest Income of the Bank increased by 10.89% to ₹15,000.84 crores from ₹13,527.89 crores a year ago. Abundant liquidity available in the system led to softening of interest rates. While the Yield on Advances fell marginally to 11.56% as compared to 11.84% in the previous year, the Cost of Deposits shrunk to 4.76% from 5.38% a year ago. The Net Interest Margin (NIM) for the year stood at 4.11%.

Non-Interest Income increased by 12.78% to ₹7,397.05 crores from ₹6,558.61 crores. Owing to the increase in economic activities, Core Fee Income such as commission, exchange, loan processing and account management fees, distribution of third-party products, and earnings from foreign exchange business increased by 25.73% to ₹5,883 crores as compared to ₹4,679 crores earned in the previous year.

The net Non-Performing Assets Ratio of the Bank improved to 0.64% as on March 31, 2022, and Return on Assets for the year stood at 1.28%.



The Bank has raised unsecured, redeemable, subordinated Tier 2 Basel III compliant non-convertible taxable Bonds on a private placement basis at par aggregating to the total size of ₹2,800 crores on October 29, 2021, with a tenor of 10 years which will augment Capital Funds of the Bank as well as enhance long-term resources of the Bank. During the year, the Bank redeemed Additional Tier I capital by exercising the call option on March 22, 2022 at ₹1,000 crores at its fifth anniversary (First Call Option date).

The Bank expanded its branch network and has 2,265 branches/banking outlets as against 2,015 branches/banking outlets at the beginning of the year. The extended network of the Bank includes 2,767 ATMs, 2,795 branches of BFIL, and 816 outlets of IndusInd Marketing and Financial Services Private Limited, an associate entity.

### Consumer Banking

#### Consumer Liabilities

The Consumer Bank business continued its growth momentum with strong business growth on the liabilities side, across client segments. The retailisation of deposits is the cornerstone of the Bank's strategy and the Consumer Bank continued delivery on this front. Consumer Liabilities grew by 22% y-o-y driven by continued new customer acquisition, branch expansion, deepening of client relationships and cross-sell across various business units of the Bank. This was enabled via concerted efforts across client segments to mobilise retail deposits through a 360-degree portfolio approach – leveraging the power of digital and analytics to up the efficacy of our acquisition and coverage channels. The Bank has moved to digital account opening and fixed deposit mobilisation to over 90% of its retail business and has seen the highest retail deposit mobilisation per customer for FY2021-22 - backed by the power of IndusInd's Savings product proposition – which was rated the best in the Industry by Financial Express recently. The Bank also was the first to launch Green Deposits for its retail and bulk customers in its endeavour to drive and support sustainable business for both, its patrons and itself. As a consequence, the retail deposits and CASA ratio for the Bank continued its upward trajectory y-o-y, improving the liabilities profile, while also bringing the overall cost of deposits down last year.

## NRI Banking

The NRI segment continued to grow and the market share rose to 2.55% as on March 2022, from 1.58% in March 2019, thereby making the Bank a dominant player in the private sector bank space within the NRI segment. IndusInd Bank became the first Indian Bank to partner with NPCI for offering Cross Border NRI Remittances via UPI in Q3FY2021-22. With minimal travel by NRIs to India, the Bank has enhanced and strengthened its NRI Non-Face to Face Digital Account Opening platform to offer a superior onboarding experience. The Bank has dedicated 203 NRI-centric branches. Additionally, it has enhanced its virtual service team including a LIVE Chat facility, digital banking platforms including WhatsApp Banking and 24x7 Toll Free Call Centre numbers.



## SME & Merchant Acquiring

As of March 31, 2022, the Current Account ANR book grew by 47.31% over the previous year. To widen the reach across geography, the Bank launched the Do-It-Yourself (DIY) account opening journey and integrated it with the Indus Merchant Solutions portal wherein all Individual and Sole Proprietors can complete the account opening journey in the comfort of their home or office. The Bank also launched a new segment specific product Indus Tarakki focusing on the needs of merchant clients with digital collection needs.

## Retail Payments

The best-in-class retail deposit growth y-o-y was on the back of higher market growth in UPI and Card spends. The Bank invested considerably in building its understanding of the changing merchant and customer behaviours in the pandemic and post-pandemic era and has successfully driven the growth of both the card and digital payments across merchant payments, bill payments, and retail p2p payments. The Bank launched its XtraSmiles Rewards

Program for its esteemed cardholders with custom partner offers across the spectrum of merchant categories. To drive the adoption of recurring payments, the Bank went live on its Standing Instructions portal for the management of card-based merchant payments. It also upgraded its IndusMobile app to facilitate auto pay facilities for billers and recharge payments via bank account or via card as payment options. For our HNI customers, the Bank launched a metal debit card to drive the brand association and share of wallet. This overall focus on digital payments growth across issuance and acceptance helped the Bank top the ranks of Private Banks in the latest Government of India's Ministry of Electronics and Information Technology Digital Payment ScoreCard. The Bank also got empanelled as Agency Bank to the GoI, which will allow it to offer tax payments and small savings schemes to its customers in the coming year.

## Client Wealth Management

Last year started off on a tumultuous note, for just as customers witnessed a full year of COVID in FY2020-21, a second wave erupted in April 2021 and threatened to disrupt the economy once again.

This time though there was a discernible shift in customer behaviour, for many had witnessed the loss of their loved ones in the previous COVID wave and a paradigm shift started to emerge. Insurance became a 'pull product' and this translated in an increase in the number of queries, for both Health and Life Insurance.

Given that in the previous year, the Bank had invested in further strengthening and digitizing all third-party product distribution processes, the sales teams were better equipped to meet the rising customer demands, despite the inability to meet the customers physically.

With an incredible array of wealth products, offered by 2 life insurers, 3 general insurers, 1 standalone health insurer and over 25 Asset Management Companies (AMC), the Wealth Business started to shore up gradually and continued to evolve with incremental improvements in the process.

As on March 31, 2022, the Bank held Assets Under Management (AUM) of ₹2,22,255 crores of its customers through products like Mutual Funds, Portfolio Management Service (PMS), Alternate Investment Fund (AIF) and Demat. The Bank also mobilised insurance premium of ₹2,372 crores for Life and Non-Life products, for the year ended March 31, 2022.

### Consumer Banking Assets

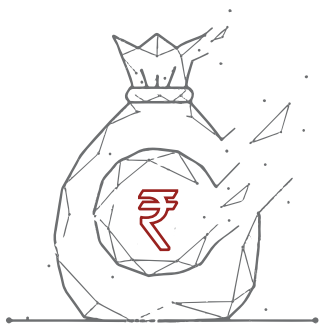
The Consumer Division continued to scale up its asset franchise which inter alia includes retail agriculture, loan against property assets, credit cards, personal loans, etc.

### Retail Agriculture Business

The Bank has more than ₹2,350 crores live sanctioned amount covering more than 15,000 farming households, across 105 districts of Madhya Pradesh, Gujarat, Haryana, Punjab, Kerala, Rajasthan, Maharashtra and Chhattisgarh for taking up agricultural and agri-allied activities.

As a part of the Bank’s commitment towards improving digital literacy, it continues to make all its customers aware and empowered of doing cashless transactions through RuPay Debit Card and Net/Mobile Banking.

Loans have been extended to small and marginal farmers, women beneficiaries and other weaker sections, thereby establishing the Bank’s commitment to service these segments. The Bank’s regular engagement with Agri Value chain stakeholders allows the Bank to stay abreast with the latest developments and accordingly provide the best products to its customers. All the Bank’s customers are offered a unique insurance facility that secures their loan liabilities in case of death or disability, and crop insurance, protecting the farmer in case of crop loss through Pradhan Mantri Fasal Bima Yojana (PMFBY) crop insurance scheme. The Bank also facilitates the offering of government subsidy schemes such as KCC interest subvention and Pashu KCC to individual farmers.



### Loan Against Property (LAP)

The Bank has been cautious on the LAP disbursements during the COVID period, initially due to the potential credit issues and later due to heightened competition resulting in unacceptable risk adjusted returns. With pandemic risks getting behind, along with return in loan pricing rationality, the Bank moved positively on the LAP disbursements during the year. As a result, the Loan against Property (LAP) business recovered to pre-COVID levels. The team retained focus on leveraging the distribution network and improving cross-sell opportunities through a combination of in-house teams, branches and open market sourcing. The growth trajectory

has been improving every quarter with Q4FY2021-22 having witnessed higher book growth compared to preceding quarters and full year FY2020-21.

The Bank continues to distribute Home Loans in association with HDFC Limited and it remains a key asset product that is distributed through the branch network, providing lucrative cross-sell opportunities.



### Personal Loans

There was a revival in the personal loans business during the year after the impact of COVID-19 in the preceding year, with monthly disbursements exceeding Pre-COVID levels during H2 FY2021-22. Personal loan disbursements grew by 31% y-o-y in value and 38% y-o-y in volume along with 41% y-o-y growth in Fee income. The focus was on cross-sell personal loans to existing savings account customers and other clients of the Bank using analytics tools, which contributed to 71% of disbursements. Around 47% of the disbursements were sourced and fulfilled completely using digital platforms, helping improve efficiencies and customer experience. The product has a live portfolio size of ₹3,500 crores (3 lakh accounts) with 1.14 lakh accounts being on-boarded in FY2021-22 itself.

### Credit Cards

The Bank continues to have a strong market share in credit card spends, as well as spends per card in the industry. The credit card receivables grew by 27% over the year. There was a good recovery in the number of cards issued, which grew by 42% and spends, which grew by 55%. The Cards in Force crossed the 1.8 million mark, an increase of 25% over the previous year.



With stringent lockdowns being lifted in the second half of FY2021-22 and spends (specifically in the travel segment) bouncing back, a co-branded card with Club Vistara was launched in September 2021 to tap into travel spends. While the business will continue its focus on driving cross-sell agenda across the vast data pool of internal customers, through a process of pre-qualification of low-risk clients, the business will also achieve inorganic growth through co-brand partnerships. Moreover, the business is moving towards a new digital platform, which will help acquire new clients directly, in a digital manner. More than 85% of cards being acquired are completely digital, i.e. paperless and signature-less, which has helped the business to book the highest-ever number of cards in March 2022. The digital acquisition significantly reduces the cost of acquisition.

## Business Banking Group

The Business Banking Group caters to the financing needs of MSME customers across the country spread across 150+ cities.

MSME segment has been one of the most impacted segments across the economy, following the onset of the pandemic in FY2020-21 and then followed by a second wave in FY2021-22. To cushion the economic impact on the MSME segment, the Government has announced a series of measures enabling the survival and revival of the MSME segment. The Business Banking Group has been instrumental in ensuring the Bank's participation in enabling these relief measures to its existing customers in the MSME segment. Close to 12% of our portfolio is, currently, in the form of GECL loans under ECGLS scheme of the Government.

While liquidity issues faced by MSMEs due to the pandemic are yet to improve to pre-COVID levels, there is buoyed optimism across the MSME segment as future growth prospects look promising. Although the pace of recovery may be softened in the short term due to inflationary pressures owing to the ongoing Russia-Ukraine war, the mid-to-long term growth story of this segment remains intact.

The business approach for the year continued to be focussed on cautious on-boarding of new customers with stringent on-boarding norms and at the same time, ensuring active management of the existing portfolio. The acquisition rate of the portfolio had been impacted during Q1FY2021-22 due to the severe second wave. However, in the last quarter of the financial year, the Bank has observed new acquisitions inching back to pre-COVID-19 levels. There has been increased focus on sourcing the 'New to Bank' customers internally through the Bank's branch network. The initiative

of SME clusters identification was concluded in FY2020-21 and provided further impetus to the acquisition engine in the year gone by.



MSME segment is one of the growth engines for the Bank under its Planning Cycle 5 strategy. Under this strategy, digital transformation of the client journey is one of the critical growth levers. During the year, there has been an increasing focus on building foundation blocks for the digital transformation of the Group. The Bank launched a fully digital journey of its OD product with automated business rule engine and end-to-end fulfilment and the plan is to extend the digital transformation to other loan products covering all aspects of the customer and the Bank's journey.

The Bank enhanced its product offering for the MSME segment with the launch of the 'GST' and 'Banking Secured Overdraft' product. This is a score-based templated product that relies on the customer's banking and repayment behaviour, GST payments, and availability of collateral for making instant appraisal decisions.

Another strategic initiative within Business Banking Group has been launched in collaboration with Affluent Business Group, leveraging the expertise of the Bank across the two the groups and providing a one-stop shop for the MSME customers for their business and personal financing banking needs. This includes an entire gamut of banking products, including Personal Accounts, Investment Management, Insurance and Cash Management, Family Business planning, etc., thus, increasing the overall wallet share from such relationships. With 360-degree coverage of personal and business wallet, the key objective is to strengthen our position as one of the leading banks for MSMEs in India.

### Healthcare Finance

Backed by renewed zeal in the infrastructural push from the Government, the Bank aggressively supported the Healthcare sector that includes Hospitals, Nursing homes, Diagnostic centres and medical professionals in their business needs. The Healthcare Finance business showed strong book growth of 46% y-o-y during FY2021-22. The Bank also disbursed ₹138 crores under the 'On Tap Liquidity scheme' of RBI to create COVID-related infrastructure. Portfolio quality continued to remain healthy with focus on expanding the business to granular and retail portfolio segments.



Post-COVID, the Bank had taken a conservative approach toward its Business Loans (Unsecured SME) portfolio. The industry as a whole had faced challenges with increased defaults seen within the unsecured SME segment and the Bank, therefore, remained very selective with unsecured lending during FY2021-22. As a result, the Business Loan book size was reduced during the year. Due to increased portfolio monitoring and focus on collections, the Bank was able to hold portfolio quality during FY2021-22. With the economy gradually recovering, the Bank has shifted focus on regaining market share and closed March with an all-time high Business Loan disbursements in a single month.

Debt Management teams delivered superior performance across vectors, leading to significant improvement in NPA and Risk Cost numbers by the end of FY2021-22. Collection efficiencies improved vastly post COVID and reached peak levels.

### Affluent Banking

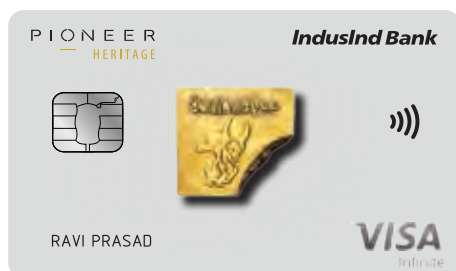
The Affluent Banking Unit, led by the flagship brand PIONEER, caters to the Banking and Wealth Management needs of affluent customers and continues to be amongst the highest growth units of the Bank. This business continued its high growth story in FY2021-22 with strong revenue and balance sheet growth across India and International Business Segments. The Fee delivery grew by 50% over the previous year supported by a strong 27% growth in granular CASA. The PIONEER client base has tripled in the past couple of years on the back of superior servicing and best-in-class proposition for the clients.

Service Delivery is the biggest differentiator for affluent businesses and has been the cornerstone of client experience. The PIONEER lobbies, managed by a dedicated team of Service RMs, provide a unique and personalised experience, unparalleled in the industry. The trained Service RMs walk the extra mile to ensure customer delight.

This delivers not only a differentiated and superior client experience, it ensures that clients are seamlessly able to interact and conduct transactions with us. Around 98% of client requests get resolved within a day with a complaints incidence rate of 0.03% every quarter, which was also 26% lower than the previous year. The back-end processing units have also been enabled to process the affluent clients' requirements on priority based on a systemic queue jump for delivering faster TATs. Close to 80% of the clients in affluent hold more than four products of the Bank as a result of effective relationship and service connect and show a high level of engagement with the Bank.



Digital Enablement of almost every request type for affluent clients has been a key enabler for the business. It allows the clients to comfortably continue doing their transactions and getting requests fulfilled without physically having to visit a branch outlet. This has resulted in the overall transaction intensity per customer steadily increasing through FY2021-22.



The Affluent Business launched a state-of-the-art PIONEER Metal Debit Card in FY2021-22, in addition to the industry-first Metal Heritage Credit Card. The business continues to upgrade its 24x7 Concierge Desk to offer a holistic range of globally accessible contemporary assistance services. PIONEER program is being leveraged to source relationships of Owners, Promoters and Directors of Corporates already holding relationships with us on the lending side. Towards that end, an enhanced PIONEER OPDT proposition with superior product and service benefits was launched for this niche segment.

## Consumer Finance Division

The Consumer Finance Division (CFD) focusing on vehicle financing is one of the three areas of domain expertise of the Bank, with healthy market share across product segments, deep customer penetration and a well-managed business franchise. The CFD extends funding for a wide range of Vehicles / Equipment, which includes Heavy, Light and Small Commercial Vehicles used for Goods and Passenger Applications, Passenger Cars, Utility Vehicles, Two-Wheelers, Tractors, and Construction Equipment such as Excavators, Loaders, Tippers, Cranes, etc. Finance is extended for both, new and used assets in all the above segments. Housing loans to low cost/affordable housing segment has been launched a couple of years ago participating in the housing-for-all project, a key focus area of the Government of India.

The COVID pandemic 2<sup>nd</sup> wave affected business significantly in the first quarter. Despite the severity, the revival was quick, and lockdowns were location specific and the disbursements for FY2021-22 is ₹32,580 crores as against ₹24,057 crores, an increase of 35% over FY2020-21. During FY2021-22 the disbursement towards new vehicles was ₹25,401 crores as against ₹18,756 crores in FY2020-21, an increase of 35% and used vehicles was at ₹6,607 crores, as against ₹4,640 crores, an increase of 42%. During the year, 8.84 lakh new loans have been sourced.

Despite the pandemic, tractor-funding, a major initiative towards Priority Sector Lending and Financial Inclusion, performed well during the year with the disbursement of ₹4,084 crores in FY2021-22 as against ₹3,545 crores in FY2020-21, a 15% growth over the previous year.

Disbursement under the low cost/affordable housing segment for the year was ₹572 crores in FY2021-22 as against ₹661 crores in the previous year. The segment recorded a drop of 13%, due to the pandemic as the primary target customers are non-salaried small business owners and this customer category was severely affected in the pandemic. The Bank plans to grow the loan book business substantially during the coming years.

The operations of CFD are well supported by a deep back office and the Document Storage and Retrieval Facility at the Bank's Karapakkam Unit in Chennai. During the year, this Unit handled nearly 5-million transactions including loan bookings closure.

CFD sources applications for all products through Android Tablets has enabled a seamless credit and business approval process and has improved efficiency. All the field collection executives of the Division have been provided with Android mobile-based Collection App on the Bank-owned mobile devices, and the 12,000+ units in use is one of the largest deployment in the banking industry. It is integrated within the Airwatch MDM Container Model for data security and operates with data and access-controlled APN SIMS.

During the year, CFD launched IndusEasyWheels portal which hosts ancillary services like road side assistance, mechanic services and insurance, which is the first-of-its-kind in the market. This portal also hosts the repossessed vehicles of the Bank for auction and provides a smooth user experience for anyone looking for pre-owned vehicles.

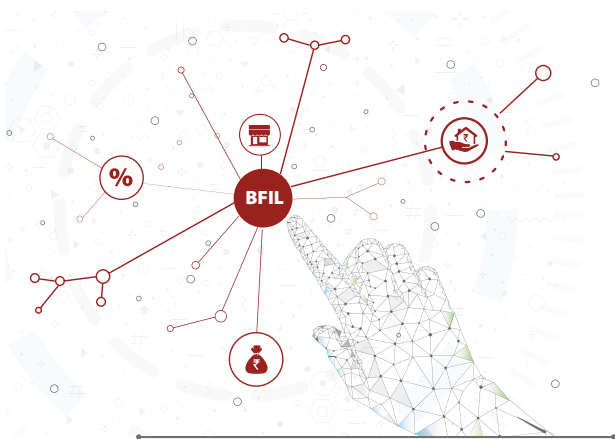
## Bharat Financial Inclusion Limited



**BHARAT**  
Financial Inclusion Ltd.

Prayaas se pragati

Bharat Financial Inclusion Limited is a wholly-owned subsidiary of the Bank and acts as a business correspondent of the Bank, inter alia, providing banking services including microfinance, merchant acquisitions, liabilities products, etc. Microfinance is an area domain expertise for IndusInd Bank and with the acquisition of Bharat Financial Inclusion Limited (BFIL) in 2019, IBL became one of the largest microfinance players in India. With a reach spanning over 1,32,000 villages across 517 districts in 23 states as at the end of March 2022, BFIL has the widest rural distribution network among financial institutions in India. About 28,000 of BFIL field staff meet an average of 15 lakh customers each day helping them carry out variety of financial transactions, including disbursing loans, helping them repay their instalments, opening Savings/FD/RD accounts and also fulfilling their small dreams of owning a consumer durable or a two-wheeler.



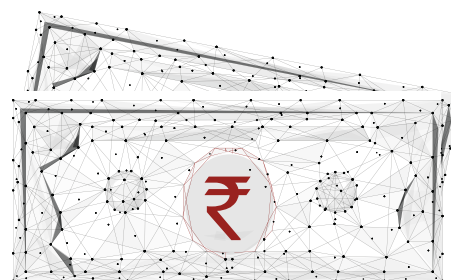
Started as a microfinance lender, BFIL provides banking services to about 73 lakh women only borrowers currently under the Joint Liability Group (JLG) model. We cater to the bottom-of-the-pyramid population helping with an opportunity to realize economic prosperity, good health, well-being and quality education. Our typical woman borrower is from a rural background with low literacy levels and finds it challenging to adapt to technology. Many of them are able to use smartphone for financial transactions through the assisted journey that is provided by us. These women are largely involved in home/rural based economic activity like rearing cattle, handicrafts & handlooms, agriculture, and some services within the rural milieu. True to the Grameen model, these women organise themselves into groups and centers where all the financial transactions are carried out with a very high level of transparency. Our in-house tech platform ensures that our field staff can meet each of our microfinance customers in person at the weekly center meetings and carry out financial and non-financial transactions seamlessly and in real-time. Right from onboarding a customer to forming groups/centers, to loan disbursements and collections - everything is digitally recorded and paperless. Our systems handle large volumes of transactions, at times averaging 1.2 loans disbursed per second. Every loan is directly disbursed into customers' bank account.

Over the years, we have built a strong reputation among our clients for the respect that we show to the bottom-of-the-pyramid entrepreneurs and the prompt services that we provide. We have assiduously made women the focus of our lending operations with the goal of making them financially independent, while being the wind beneath their wings of entrepreneurial aspirations. The Bank, through BFIL, has built a lending book of ₹31,151 crores at the end of FY2021-22. The opportunities provided by the rural landscape in India is immense, and with a reach that BFIL has, our aspirations are high. IndusInd Bank, through BFIL, intends to reach many more women borrowers and their families,

offering them a wider suite of banking services including individual loans, personal loans, affordable housing loans, etc., while also providing them opportunity to avail adequate cover through micro-insurance products.

One of the segments of entrepreneurs that is underserved by the formal banking channels are the numerous retail outlets spread across the country. Most of these stores rely on informal channels of financing for their working capital requirements, usually at a steep interest rate. To meet their requirements and to bring them into formal banking fold, a pilot was launched (through BFIL) in 2019. We designed a new product with smaller ticket size than the usual MSME loan and with our staff assisting the customer navigate the entire application process right at their doorstep. Since then, our Bharat Super Shop (BSS) business has identified 38 trades to lend to. We now have about 5.5L retailers on-boarded and about 3.2L of these retailers are active borrowers with a loan book of over ₹1,943 crores. The book has been scaling up well and we intend to grow this business rapidly over the next few years.

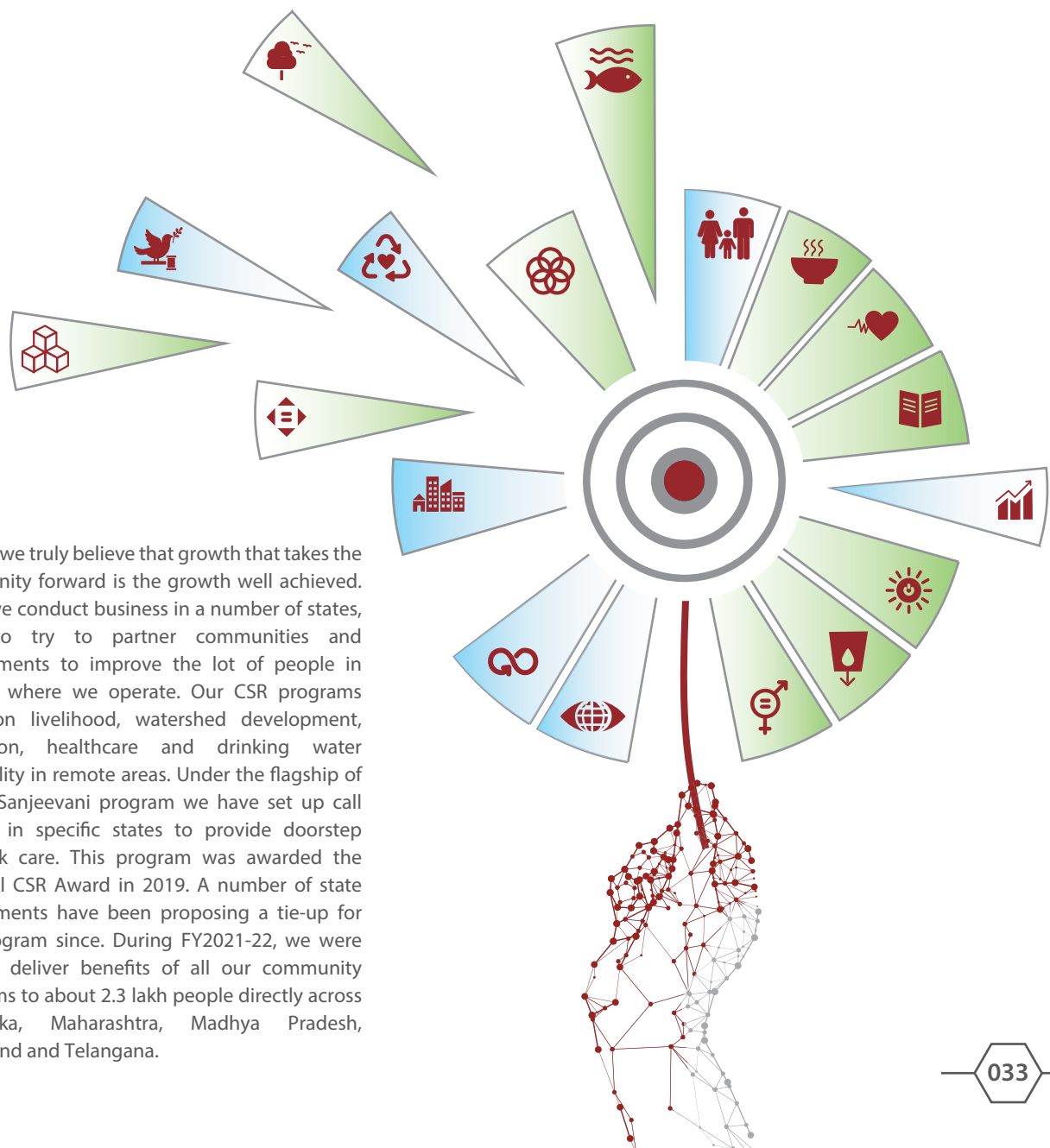
Rural India is a predominantly cash-based economy and our customers have to invest lot of time, effort and money to carry out simple transactions like funds transfer, bill payments and cash withdrawals/deposits. This was the genesis of Bharat Money Stores (BMS), a business line of BFIL. Through BMS we enable kirana merchants in the most remote locations to carry out banking transactions on their mobile phones. BMS is a truly last mile banking service provider. The BMS service offering is open to our MFI customers as well as any other client in the banking system. We currently have about 86,000 such merchants enrolled through whom over 2.3 crore transactions with a value of about ₹4,000 crores have been transacted in FY2021-22. In September 2021, we enabled these merchants to source savings accounts, RD & FD accounts and in a short span of 6 months these merchants were able to source about 2.4L savings accounts from the open market. We intend to scale-up the enrolled BMS merchants making them a liability sourcing point for IBL with prominent display of IndusInd-branding across these merchant locations.



At the end of FY2021-22, BFIL serviced about 76L active borrowers in all, with a total outstanding book of over ₹31,000 crores. The total loan disbursed during the year was over ₹38,000 crores. About 74L customers of the Bank serviced by BFIL have opened a savings bank account with IndusInd Bank and the liability pool of all customers serviced by BFIL, which includes savings, current, RD & FD products, at the end of FY2021-22 was ₹1,456 crores with over 1.4 crore accounts.

As an organisation, BFIL has been reaching out to the unserved/underserved segments of the population and finance their entrepreneurial aspirations. All our operations are pivoted in a way that ensures that the societal benefits are substantially larger. The loans provided to our customers are used for a variety of purposes, including to buy cattle, for agriculture, as working capital for grocery store, tailoring & cloth weaving, trading of vegetables & fruits, etc. Our operations satisfy 11 out of United Nation's 17 Sustainable Development Goals (UN SDGs). We rigorously focus our efforts to ensure that we reach out to the unbanked and underbanked population in Bharat and become partners in their growth and prosperity.

## Sustainable Development Goals



At BFIL, we truly believe that growth that takes the community forward is the growth well achieved. While we conduct business in a number of states, we also try to partner communities and Governments to improve the lot of people in regions where we operate. Our CSR programs focus on livelihood, watershed development, education, healthcare and drinking water availability in remote areas. Under the flagship of Bharat Sanjeevani program we have set up call centers in specific states to provide doorstep livestock care. This program was awarded the National CSR Award in 2019. A number of state governments have been proposing a tie-up for this program since. During FY2021-22, we were able to deliver benefits of all our community programs to about 2.3 lakh people directly across Karnataka, Maharashtra, Madhya Pradesh, Jharkhand and Telangana.

## Global Diamonds and Jewellery Group (GDJG)

Gems and Jewellery is an important component of India's export. It counts for 7% of India's GDP, providing employment for 8 million people. The exports grew 49.6% in FY2021-22. GDJG is the biggest player in this industry segment not only in India, but also globally. The Bank has been recognized by the Trade Council as a Centre of Excellence through many awards and accolades, the latest two being, the Gems and Jewellery Export Promotion Council (GJEPC), sponsored by the Commerce Ministry of the Government of India, awarding the Bank in the categories of 'Best Bank Financing the Industry – Exports' and 'Highest Limits Sanctioned'. This is one of the Bank's major domain leadership vertical. The client base comprises 43% MSME. The portfolio has zero delinquency in FY2021-22. The coverage model is based on relationship banking capturing the entire wallet of the client. It provides huge cross-sell opportunity. The Bank has been spreading its coverage profile from its core dominance in the cut-and-polished diamond sector to jewellery manufacturing and retail, etc. Started as a mid-stream player, the expanse spreading over to financing of rough traders, midstream diamond manufacturers to largest exporters, jewellery manufacturers and financing world's biggest names directly or indirectly in the diamond, jewellery and high-end luxury chains. The financing activity is undertaken, both through domestic tariff and GIFT City to businesses around the globe. GDJG has reached out to clients in Hong Kong, Dubai, Antwerp, USA and Luxembourg, among others, through GIFT City.



## Corporate and Commercial Banking Group (CCBG)

The fiscal year gone by was characterised by a low interest rate regime, conservative leverage approach by corporates and a delayed CAPEX cycle as the second wave of the pandemic pushed credit growth to the second half of the fiscal. With the government and institutions better prepared to tackle the pandemic, the second half of FY2021-22 marked a period of recovery and rebound for Corporate India. Corporate India is now geared to kick-start its CAPEX cycle, supported by a stronger balance sheet and a push to the infrastructure and manufacturing sector through the government's pro-growth schemes, albeit a marginal blip due to the ongoing Russia-Ukraine war impacting global sentiment and resulting in inflationary pressures.

Banking credit is estimated to have grown by 8-9% in the current fiscal (FY2021-22), vis-à-vis 5.6% last year. The outlook for corporate banking credit remains strong in the medium term and we, having weathered challenging times over the last one to two years, are now well positioned to capitalize on the market opportunity. Against the above macro backdrop and the Bank's conscious efforts to fine-tune and grow its corporate business, our corporate and commercial banking book grew by a robust 20% Y-o-Y with range-bound slippages. This reinforces our belief that our corporate strategy under Planning Cycle 5, which is focused on balanced growth, through re-balancing the portfolio, to improve quality and increase granularity has started to yield results.

Building a sustainable and robust corporate liability franchise is another growth area identified by the Bank. In this regard, multitude of initiatives were undertaken, such as liability-led acquisition, sectoral product propositions, OPDT (Owner, Promoter, Director and Trustees) and corporate salary proposition, to enhance our liability footprint across corporates.

With the aim to granularize the corporate book, there is a higher thrust on smaller businesses under the corporate umbrella. This segment continues to gain momentum as we focus on new acquisitions across the board. Our small corporates business registered double digit growth in FY2021-22 and continues to exceed the growth rate of the overall corporate book.

As part of the implementation of the strategic roadmap, the Bank has re-oriented its structure to sharpen and optimise its coverage across segments. Complementing this re-orientation is the re-energisation of teams through internal and external talent, thus strongly positioning the Bank to capitalize on the market opportunity in the coming quarters.

## The Corporate & Commercial Banking Group provides a large bouquet of products and services to corporate customers across the spectrum:

**Loans - Working Capital, Term Lending**

**Specialized Loans - Project Finance, Structured Finance**

**Trade Credit – Export Credit, Bill Discounting, Letter of Credit, Bank Guarantees, Supply Chain Financing**

**Cash Management Solutions**

**Corporate Deposits and Current Accounts**

**Forex, Derivatives and Swaps**

**Investment Advisory**

**Corporate Salary & OPDTs Personal Wallet**

**Digital Channel**

### A. Client Coverage groups

#### Global Corporates & Institutional Banking Group

During the year, a separate vertical was carved out to focus on strategic large groups and MNCs to provide differentiated and bespoke coverage considering the segment's highly coveted and competitive nature. The financing, advisory and structuring requirements of clients under this segment are highly complex and vary greatly, given the client's group structure and presence across geographies and sectors. We aim to be a strategic partner to our clients within this segment through providing dedicated and bespoke coverage, strong panel of embedded product partners and differentiated client and service delivery.

The identified levers under this vertical are: (a) High-quality coverage team with embedded product expertise; (b) Differentiated service and experience delivery through priority banking; and (c) Strong wallet management through rigorous account planning. With these levers, the Bank aims to further strengthen its corporate franchise and brand within this segment.

During the year, the Group continued its emphasis on strengthening relationships with high-rated corporates and gained higher market share in entities and groups rated 'A' and above.

#### Corporate Banking Group Covering Large & Mid-corporates

With a presence across 14 cities, the Large and Mid-Corporates Group provides financial products and services that meet all the evolving needs of businesses across industries and sectors. This approach has helped the Bank to get a substantial share of the client's wallet and enhance product penetration.

Focussing on client relationships at all levels has enabled the Group to detect and act on early warning signals, maintaining low stress in the book. The Group also has a significant liability book spread across customers, which provides granularity to the Bank's lending as well as deposits.

FY2021-22 has been another challenging year for the country, with the deadly COVID-19 second wave in the first quarter, albeit followed by a steady recovery. Despite that, the Corporate Banking Group has clocked higher than average growth in advances and deposits. The key pillars of business strategy for FY2021-22 have been: (a) Asset growth with focus on improving overall rating profile; (b) Robust portfolio management backed by sharp analytics; and (c) Cautious growth and focus on increasing granularity in the portfolio. The focused approach has enabled the business to withstand the current times and grow consciously, while ensuring robust portfolio management.

#### SME Business Group

SME Business Group aims to cater to the banking requirements of emerging mid-corporate enterprises. This segment of enterprises has tremendous banking potential with an estimated market size of ₹6,00,000 crores (as per CIBIL TransUnion estimates). While targeting clients, the Group lays emphasis on strong fundamentals, cash flows and financials as well as other soft factors that are important from a SME lending perspective.

During the year, we have seen Q-o-Q increase in new acquisitions as COVID impact receded in H2 FY2021-22. With focus on a) Branch channel activation through synergy and b) micro-market scanning through wider coverage and differentiated service delivery in terms of time to market and digital stack, this segment is expected to grow at a faster pace than the overall corporate book. This will further enable our strategic objective of granularizing the corporate book.

## B. Specialised Verticals

To sharpen the focus on certain sectors through offering domain expertise and a more customised product suite, the following specialised verticals are present within the Corporate Banking Unit:

**Healthcare:** Specialised offering of banking products to the Indian healthcare industry consisting of:

**Hospitals:** Primary, Secondary and Tertiary care units - super and multi-speciality.

**Diagnostics:** Multi-location diagnostic chains augmenting medical diagnostics.

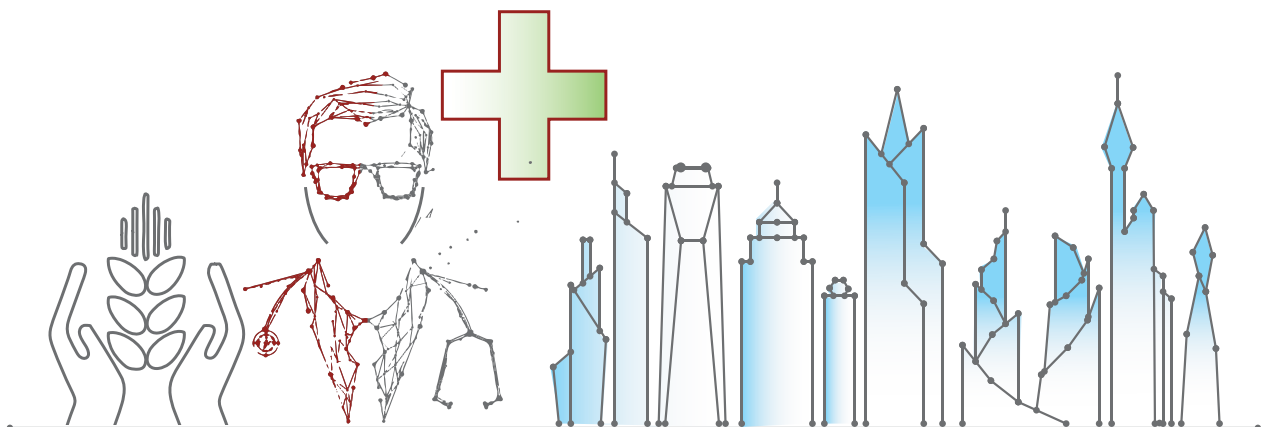
**Financial Services:** Offers products to a large landscape of Financial Services Players – NBFCs, HFCs, Insurance Companies, Mutual Funds and Public Financial Institutions. The Group has built strong ties with key players with 90%+ of its book rated 'A' or better. The Group has a unique positioning in the marketplace as a preferred choice for transaction banking and has a leading share in cash management and escrow services to leading NBFCs.

**Real Estate:** Product offerings for commercial and residential projects, including LAP, LRD and construction finance. It also offers advisory for REITs and syndication.

**Education:** Education sector is one of the sunrise sectors of the Indian economy, considering the young demographic profile of the country. The segment has witnessed significant transformation in the last 2 to 3 years, with evolving business models such as Public-Private partnership, new Education Policy, booming ED-Tech sector with increased Private Investments and an Evolving Ecosystem. The Bank is one of the leading players in the sector and provides niche and digital solutions for meeting the financing and cash management needs of the players across the education ecosystem.

**Agriculture Business Group:** Agriculture Business Group follows the Value Chain Financing approach to cover the complete Agri Value Chain from farmers to Agri corporates. With presence across 17 States, 60 locations and 45 commodities, the Group has a strong presence in core Agriculture-based markets with innovative Agri Project Finance, Agri Trade Finance and Agri Infrastructure Finance products and services. Currently, the vertical leads the commodity funding space through its flagship Pledge Finance product. Incrementally, the Group focusses on mid-size corporates in food and agriculture, making the Bank one of the significant players in the dairy financing segment.

Agriculture Business Group is also one of the major PSL contributing divisions of the Bank with more than two-third of its portfolio classified as PSL. The marquee relationships in this Group have helped gain inroads into rural masses wherein IndusInd, as a Bank, has been able to offer a comprehensive suite of rural products to the population through its rural franchise, hence deriving significant synergies across the spectrum.



## Supply Chain Finance (SCF)

With a focus on granular business, the Bank is investing significantly in the Supply Chain Finance business and aims to grow it multi-fold over the next 1-2 years. Significant investment is ongoing and is planned in digitisation, upskilling manpower and deepening client relationships. The vertical provides comprehensive financing solutions, including channel finance and vendor finance catering to the financing needs of dealers/vendors of large corporates across industries, the key ones being Auto and Auto OEMs, Steel and Consumer Durables. With a dedicated and experienced relationship team, backed by strong product proposition and seamless services, the Supply Chain Finance product has made inroads into large corporate, forging strong relationships.

The COVID-19 pandemic has had a far-reaching impact on the auto industry, which has impacted the entire supply chain. Despite this, assets under supply chain financing programs have recorded 55% growth y-o-y, with growth majorly coming in Q4. With stringent governance processes and comprehensive portfolio monitoring tools, the Bank has been able to maintain high portfolio quality of its SCF book.



## Project Finance

The Project Finance unit has domain expertise in Wind Energy, Solar Energy, Roads, Ports, Logistics, Water and Power Transmission sectors. The Project Finance team was able to win Project Underwriting and Syndication mandates from several large reputed Indian corporates. Aligning its sustainability strategy, the Bank added new sectors in Project Finance that support Sustainable Development Goals (SDGs). Until March 2022, the Bank has supported an installed capacity in excess of 4.5GW in renewable energy power with nearly INR 14,000 crores in sanctions. The Bank has also financed projects in e-mobility, energy efficiency and city gas distribution sectors.

The Government of India (GOI) has envisioned National Infrastructure Pipeline (NIP) 2020-2025 with an outlay of INR 111 trillion with key thrust on roads and highways, renewables, transmission, thermal, city gas distribution, water, energy efficiency and railways. Close to 20% of the above investments are expected to come from the private sector. Given the expertise of the Unit in these sectors, the Bank intends to actively participate in this opportunity by establishing itself as a leading structurer, underwriter and syndicator in the market.

## Investment Banking

Investment offerings of the Bank are trusted by leading Indian business houses and it services clients ranging from large corporates to mid cap and small cap customers on one hand, and financial sponsors/ equity funds on the other, in sectors such as BFSI, Infrastructure, Renewable Energy, Tech, Healthcare, Microfinance, Logistics, Education and Industrials. The Investment Banking unit provides strategic M&A and other advisory services to aid growth initiatives as also capital market solutions in Equity and Debt markets to support a variety of funding structures. This enables the Bank to partner with growth-oriented corporates and private equity funds through their lifecycles.



Amongst the top Mandated Lead Arrangers (INR Borrowings) in India, the Bank was ranked 2<sup>nd</sup>, both in deal count and deal volumes with syndication volumes of about ₹7,000 crores. The Bank has consistently improved its league table position in terms of deal volume, from 6<sup>th</sup> in CY 2016 to 4<sup>th</sup> in CY 2019 and maintained 2<sup>nd</sup> position in CY 2020 and 2021.

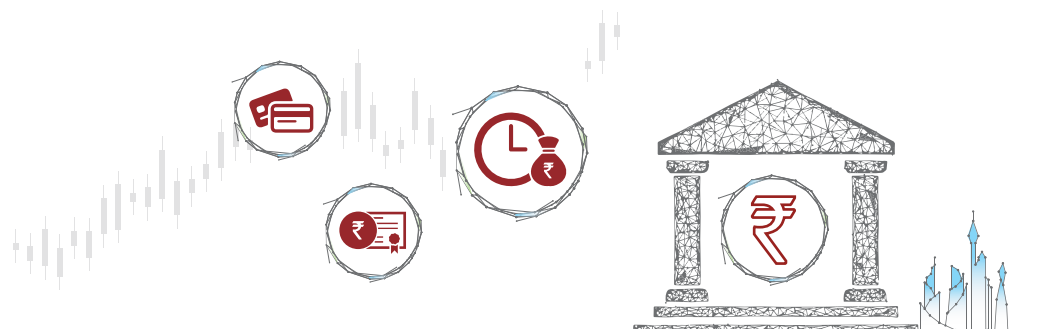
Specifically, the Government of India (GOI) has envisioned National Infrastructure Pipeline (NIP) 2020-2025 with an outlay of ₹111 trillion with a key thrust on roads and highways, renewables, transmission, thermal, city gas distribution, water, energy efficiency and railways. Close to 20% of the above investments are expected to come from the private sector. Given the expertise of the Unit in these sectors, the Bank intends to actively participate with an underwrite and sell down strategy, holding 20-30% of the underwritten amount in the Bank's books and selling down of the rest, depending upon the size of the project.

## Public Sector Group

Public Sector Group maintains relationships with most of Central Government-owned and select State Government owned Public Sector Undertakings (PSUs), which include the Maharatnas, Navratnas and Mini Ratnas.

The PSU Assets are preferred by many lenders considering the lower delinquencies and hence, the Assets portfolio growth is achieved under stiff competition from all banks and at competitive pricing. The PSUs also act as a source of large Liability books and Current Account floats for the Bank, which has been growing over the years.

The group offers customised solutions to PSU clients in the areas of Trade, Forex, Cash Management and other digital products. Additionally, an entire bouquet of Asset products like Term Loans, Working Capital Finance, Bonds and NCDs, among others, are also offered to these clients customised to their requirements. The Bank offers targeted Retail Banking products to the employees of its PSU clients, such as Salary Accounts, Credit Cards, Retail loans amongst the junior and middle-level managers and a Pioneer range of products amongst the senior management team. The Bank is keen to garner increased market share in this space and be a sizeable banking partner to strategic large PSUs, which until recently was the exclusive domain of large banks.



## Financial Institution Group

Financial Institution Group (FIG) is one of the important Business Units for the Bank as it administers and manages relationships with various categories of Financial Intermediaries of the global financial market. The unit manages relationships across Financial Institutions from the space of Domestic Banks, International banks, Development Finance Institutions (DFIs), Export Credit Agencies (ECAs) and Multilateral Financial Institutions (MFIs). The Unit also manages and supervises the entire Correspondent Banking network of the Bank comprising our network of Nostro and Vostro Accounts and RMA arrangements with multiple banks across the globe. FIG also plays a crucial role in framing and managing the Correspondent Banking Policy and Bank Risk Policy of the Bank. Over the years, FIG has evolved into a highly specialised sectoral vertical of the Bank, managing diverse roles from business origination, to facilitation, to policy-making and risk management along with their primordial role as channel manager of the Bank's correspondent banking network.

Despite the headwinds in the global trade and payments landscape due to the pandemic and geopolitical tensions, FIG has acquainted itself very well with the market dynamics in the year under review, which has helped the unit to offer seamless correspondent banking services to the Bank's clients. FIG unit also contributed significantly to the Bank's overall top line and bottom-line by building a profitable and high-quality FI Book. The unit has also contributed actively in areas like resource raising and balance sheet management along with ALM desk. During the year, FIG helped in generating liquidity from global and domestic financial institutions to the tune of US\$ 5,186 million through market borrowings, syndicated/bilateral loans, inter-bank deposits, refinance, etc. The Bank conducts its FI Business in strict conformity with applicable domestic and international laws and abides by various global sanctions as applicable to Indian banks from time to time.

## International Financial Services Centre Banking Unit (IBU)

The International Financial Services Centre Banking Unit (IBU) has seen significant business, achieving a Balance Sheet size of USD 1.6 billion as on March 31, 2022. The product offering from IBU includes External Commercial Borrowings (ECBs), Trade Credits, Loans to Overseas Entities, non-funded products, and swaps and derivatives undertaken for proprietary trading and client hedges.

The IBU provides an access to hitherto untapped clients and product profiles and is slated to be a significant contributor

to the Bank's Balance Sheet as well as profitability. IBU provides the Bank with the ability to serve large corporates with overseas presence with end-to-end solutions by participating in the international syndicated loan market and to strengthen the brand globally.

The Global Markets desk at IBU also enables the Bank to trade in non-deliverable derivatives contracts, enabling it to serve the clients round-the-clock and creating a steady revenue stream. The Bank's IBU is also among the few units, which started offering CASA services to its clients.

The Bank has also been instrumental in formulating regulatory guidelines for IFSC Banking Units on FX and derivatives as a special invitee to the working committees formed by the IFSCA.

## Digital Banking

The Bank progressed on its Digital 2.0 strategy during the year. The Bank focussed on new customer acquisition through new product lines and worked towards addressing the immediate needs of the existing customers across channels by adding new capabilities and technologies to the Bank's ambit.

During the year, the Bank acquired approximately 3.6 lakh relationships digitally within consumer banking on the back of partnerships or on the back of platform marketing leveraging the 'IndiaStack' foundation. The Bank launched a new platform '**Easy Credit**' to source new customers and non-pre-approved existing customers interested in availing a Credit Card, Personal Loan or an EMI on Debit Card. We continued to further build on the digital savings account proposition '**IndusDelite**' with attractive cashbacks across leading brands resulting in better engagement and activation of clients. The Bank also entered into new partnerships with digital aggregators and fintechs for sourcing credit cards, personal loans, fixed deposits and EMI on Debit Card products.

During the year, mobile transactions grew by 84% y-o-y vis-à-vis 59% growth shown by the banking industry. The Bank took significant steps in engagement by overhauling its engagement measurement practice and adopting Monthly Active Users (MAU) in tech-led business. Additionally, we introduced a simplified Information architecture (IA) and simplified common journeys; this resulted in an uplift of ratings on Android Play Store from 3.8 to 4.2. On emerging channels such as WhatsApp Banking, our monthly active base and monthly conversations increased by 76% and 81% respectively during the year.

As part of our SME Strategy, we are working toward End to End Digitisation of all SME products which includes liabilities and loan products. The Bank launched IndusEasyCredit for Business – SME stack in FY2021-22 to address the working capital needs of the MSME segment. We have taken omni-channel approach with DIY and Assisted flow journeys developed for Unsecured Business Loan and Overdraft facility backed basis algorithmic decisioning incorporating GST, Bureau and Banking conduct. We believe a combination of Digital First and Traditional expertise, as a combined offering, positions us well to offer new products to customers while keeping the risk costs contained. Our current product portfolio consists of loans ranging from ₹2 lakhs to ₹2 crores and will be able to address the credit needs of 95% of the MSME segment (Micro, Small & Medium Enterprises). Our loan products offer fully digital capabilities, leveraging India Stack library for customer identification, underwriting and disbursements.

IndusInd is currently offering two products, one called Small-ticket Business loan and the other, an Overdraft facility using GST data under the EasyCredit umbrella, will soon add Cash Credit, Non-fund Based Loans, Loan Against Property and Loan Against Securities and will also focus on government-backed programs in line with the government agenda to improve credit penetration in the MSME segment.

EasyCredit Small ticket business loans leverage non-traditional digital information like Banking, GST and Bureau Repayment Data and new-age scorecards for quick and easy access to finance in adherence to bank's underwriting standards to the MSME segment for loans ranging from ₹2 lakhs to ₹20 lakhs. The bank believes that a digital stack can bring down the "time to decision" and "time to cash" significantly versus traditional models.

EasyCredit GST OD underwriting model has built analytics with the ability to sanction loans ranging from ₹25 lakhs to ₹2 crores within 15 minutes into the loan journey. By leveraging advanced machine learning algorithms on digitally obtained GST and banking data allows us to underwrite customers across customer profiles ranging across diverse credit history and also to provide enhancement needs for a growing small business.

The Bank is also working on a holistic SME proposition. This will be a mobile first offering which will allow MSMEs to quickly onboard themselves on the bank platform using digital KYC services and avail all the banking services through the click of a button.

The Bank also took the lead in bringing several new initiatives to clients true to its promise of being client responsive:

- At the onset of the second wave in Q1FY2021-22, the Bank launched new digital product lines for new bank customers like personal loans, EMI on Debit Card and Credit Card. This ensured that a full digital bouquet of offerings across savings, lending and investments were available to our customers.
- IndusInd Bank was one of the first four banks to become financial institution users (FIU) of the RBI's Account Aggregator Framework.
- The Bank entered into two strategic partnerships, one with a composable banking full stack provider to drive new-age offerings and convenience to our customers on the payments and cards side and another with a leading marketing automation provider to provide real-time eventing and engagement capability.
- The Bank has also initiated a strategic initiative aimed at the digital native and adaptive customer segment aiming to provide them with an exciting value proposition of an "All-in-One" app with a unique comprehensive personal finance management stack, convenient transaction banking capability, just-in-time financing, state of the art security and privacy stack, an intelligent reward system and a pan-bank all-encompassing loyalty program. The new digital proposition will be pivotal in providing simplified and transparent banking to our customers, along with the existing USPs like the responsive innovations we have come out with over the years like 'My Account My Number', 'Cash on Mobile', 'Choice Money ATMs' etc., and attractive interest rates on deposits.

Banking today is different from what it was before the pandemic and digital has transformed the way customers bank or consume financial products. The Bank has always been a front-runner in bringing responsive innovations on products and services to clients and delivering end-to-end digital journeys. We have now pivoted towards bringing end-to-end holistic, experience-driven, innovative client value propositions to clients with a deep segment focus.

## Global Markets Group

The Global Markets Group (GMG) comprises three main functions:

1. Asset Liability Management (ALM)
2. Trading (Rates, Equities, Foreign Exchange and Derivatives);
3. Client Sales, comprising Financial Markets Sales and Solutions team, which provides hedging strategies to clients for their exposures across foreign exchange and interest rates, and the Credit Sales Team, which provides clients access to Debt Capital Markets.

The Asset Liability Management Unit manages various regulatory requirements, including Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR), Liquidity Coverage Ratio (LCR), Intra-day Liquidity (IDL) and Net Stable Funding Ratio (NSFR), as prescribed by the Reserve Bank of India and other regulating bodies. In addition, the Desk manages the day-to-day liquidity requirements of the Bank through appropriate funding avenues involving INR and Foreign Currency. The liquidity and resource mobilisation strategy achieved significant efficiency in the Bank's sourcing of funds across tenors with an optimal mix of Term Deposits, Market Borrowings and Refinance.

The Trading Desk trades in Rates, Equities, Foreign Exchange and Derivatives. It strategizes and takes proprietary positions in Government Bonds, Corporate Debt, Equities, Interest Rates (INR and Foreign Currency), Interest Rate Futures and Currencies.

The FX & Derivatives Trading Desk focuses on Currency and Interest Rate Derivative products for proprietary positions and also acts as a liquidity provider-cum-market access in respect of client business. The desk is an active market-maker in the interbank market and has executed various products across asset classes with established market counterparties and valued corporates. The desk has been among the first ones in dealing with new products permitted during the year by the RBI, like Swaptions, Forex Barrier Options, and Non-Deliverable OIS.

In view of the discontinuation of publication of global benchmarks and the introduction of Alternative Reference Rates (ARR), the Bank has embarked upon a planned transition of derivative products, in line with the global market practices, on certain benchmark trades linked to LIBOR. The Bank has also extended continuous support to its clients having exposure to phased-out benchmarks and has provided them with a seamless process for attuning their respective hedges.

The Equity desk takes proprietary positions in both primary offerings as well as trades in listed securities.

The Credit Sales desk is responsible for providing solutions to Corporate & Institutional clients looking to tap the Debt Capital Market for raising short term/long-term funds through various instruments such as Bonds/Non-Convertible Debentures (NCDs)/CPs, ZCBs, Tax-free bonds, NCD cum warrants and other Non SLR instruments by acting as Arranger and/or investor for Primary NCD issuances. The team is also responsible for placement of such securities across various institutional clients/investors segments such as mutual funds, insurance companies, pension and provident funds, banks, NBFC's, Wealth Managers, Foreign Portfolio Investors (FPIs), Corporates, Alternate Investment Funds (AIF's), Family Offices, etc. The team undertakes products as permitted in the board-approved Funds & Investment Policy of the Bank.

The Financial Markets Sales and Solutions team provide hedging solutions to clients across Large Corporates, Financial Institutions and Mid-market corporates and Consumer clients on their foreign exchange and interest rate exposures. The Bank enters into these transactions based on strict suitability, appropriateness and credit criteria. Besides the above OTC products, the Bank is also a Trading-cum-Clearing Member of NSE and BSE, which enables the Bank to offer a web-based platform across client segments for hedging their currency exposures in the exchange-traded currency derivatives market.

During the year, GMG continued to actively undertake proprietary and client hedges across FX, Interest Rates, Derivatives, Credit markets, besides Equity IPOs. The Bank has expanded its reach in offshore markets through the Global Markets Desk at its IBU in GIFT City and will further widen the range of products to be offered from IBU as permitted under the new liberalised guidelines of IFSCA.

The Bank has well-laid-out Board-approved Funds & Investment and Risk Management Policies, Client Suitability and Appropriateness Policy, and appropriate systems support to monitor transactions and risk on a real-time basis. Given the dependency on System and Trading platforms, the Bank has been conducting Business Continuity Plan drills at regular intervals. The Bank has an Integrated Treasury application interfaced with the Risk Monitoring System that covers all Client and Trading products of the Global Markets business and provides a seamless straight-through flow of transactions.

## Transaction Banking Group

The Transaction Banking Group (TBG) offers products and services to customers across all Client Business Units in the areas of Cash Management, Trade Services, Trade Finance and Global Remittances delivered through market-leading Digital Banking platforms.

Under the umbrella of Cash Management Services (CMS), the Bank offers customised and differentiated products to its Corporate and Consumer Banking customers, to enhance efficiencies in their Payables and Receivables Management.

The Bank scaled up its CMS solutions for small and mid-sized corporates by providing structured solutions to address the needs of specific segments like Traders and Transporters. Partnerships with Fintechs and integration with the Bank's Digital Banking platforms enabled seamless payment, collection and reconciliation solutions for such segments.

Anchor CMS solutions like Escrow and Nodal services, API-based e-Payments and e-Collections, and structured solutions around UPI, NACH and BBPS provide the Bank's large corporate clients with the ability to manage their fund flows and liquidity more efficiently.



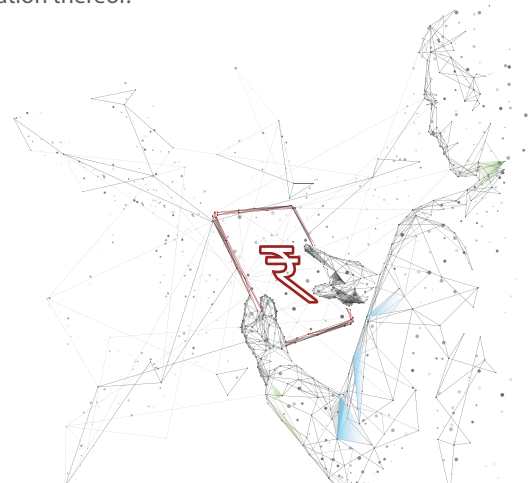
IndusInd Bank strengthened its presence further with the Government segment by providing bespoke CMS solutions through multiple digital platforms for e-Tendering, e-Procurement, GeM, PFMS and Subsidy management. All these services have ensured better efficiency for customers and a healthy increase in sustainable CASA flows for the Bank.

Our trade product is designed to address the requirements of Large, Medium and MSME customers, from short to medium term Trade Financing that is complemented by a full suite of Trade services for Domestic and International Trade flows. The year saw an increase in the Trade financing portfolio, which reflected the Bank's strategy of financing our client's working capital requirements.

The Bank's Exporter clients avail of Pre-shipment and Post-shipment financing, Export Letter of Credit (LC) advising, LC confirmation, Export bills on collection services, Bank line discounting amongst other Trade Services. Likewise, our Importer clients avail of product offerings, comprising of LCs, Shipping Guarantees, Import financing, Import collections, Direct and Advance remittances. In addition to the above, the Bank offers Bank Guarantee services and also caters to the client's trade finance requirements for their offshore business units through its GIFT City branch.

The Bank continued to be one of the leading players facilitating India linked Cross Border Remittances. The Bank continued to enjoy a significant market share in LRS Outward Remittances from India, originating transactions from its network of branches as well as facilitating flows for other licensed partners. It also continues to be a preferred India Correspondent for Overseas Banks, Exchange Houses as well as Money Services Business/Money Transfer Operators.

Digital platforms are the bedrock of all Transaction Banking products and the Bank continued to enhance its capabilities in this domain. The year witnessed a steep increase in client adoption and transaction volumes across the portals, mobile Apps and its API platforms. Customers embraced our platforms for initiating their Payments & Trade transactions and managing their collections digitally. The platforms offer rich functionality for clients to initiate individual and bulk payments, payroll processing, Tax, EPFO and ESIC payments and trade services, including Bank Guarantee and LC issuance, Inward and Outward Remittances and Import and Export collections. The platform also gives a comprehensive view of IDPMS/EDPMS Dashboards and allows for regularisation thereof.



## Pan Bank Liabilities Group

The Pan Bank Liabilities Group (PBLG) was set up in FY2020-21 and has been working towards strengthening the Liability franchise and accelerating the Retailisation and Diversification of the Liability base of the Bank. Its mandate includes complementing the Business effort towards appropriate liability mobilisation and co-creating the Business Unit's Liability strategy and synergising it with the flows of the Product and Operations teams.

The Unit has also been entrusted with the task of enhancing focus on diversification and accelerating demand liability generation from existing and new customers. The Group uses internal and external market data and best practices to progressively facilitate the delivery of a robust and sustainable liability portfolio, meeting various regulatory parameters.

PBLG has also been working towards inter-segment synergy initiatives to boost internal sourcing of liabilities business and other products penetration. The increased penetration of liability products, within existing customers of the Bank, has helped progress towards the goal of sustainable deposits with increased customer stickiness.

In the path driving towards a sustainable franchise, the Bank had a robust growth across various Liability parameters and has demonstrated a faster than industry's average growth.

The deposits from Retail & Small Business Customers have grown in line with our Retailisation objective. The share of low-cost CASA deposits and liabilities book, generated from inter segment synergy, have also improved consistently.

## Financial Restructuring and Reconstruction Group

All activities relating to the recovery of non-performing loans and restructuring of stressed assets are handled by the Financial Restructuring and Reconstruction Group (FRRG). Implementation of the Insolvency and Bankruptcy Code, 2016 and NCLT activities has accelerated, especially with the Reserve Bank of India notifying mandatory filing in certain large value cases in a time-bound manner. The Bank has a dedicated desk to handle and monitor IBC-related activities.

The Bank has also actively utilised the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for recovering its dues.

During the year, the Bank had recovered an amount of ₹458.98 crores in written-off accounts. Net NPAs of the Bank stand at 0.64% of Total Advances, while the ratio of Gross NPA as a percentage of Total Advances is 2.27%.

### Priority Sector Lending

Being a socially responsible Bank, the Bank has a special focus on the requirements for the needy/Priority segment of society.

Given the wide range of sectors and activities covered, various business units of the Bank, i.e., Corporate, Commercial, Consumer, Inclusive, Agriculture and Rural Banking, have been oriented to align and focus on the specialised needs of the clientele under priority segments, which has helped the Bank create its footprints in almost all the categories under PSL and lending to the Priority Sector is completely institutionalised. The above helped the Bank not

only achieve the overall Priority Sector targets during FY2021-22, but also all the sub-targets.

Being a responsible corporate citizen, as a contribution toward building sustainable banking, the Bank continues to have a special focus on the clients at the bottom of the pyramid and who are largely in the informal segment. Nearly 50% of the loans by the Bank are provided for livelihood purposes across sectors of strategic importance to the economy. The Bank has come up with relevant and innovative solutions by leveraging our technology to increase credit flow and deepen access and further financial inclusion. With the help of our domain expertise and rich experience built over decades of work, a well-developed risk framework has been put in place, which is yielding good results in building a healthy portfolio resilient to shocks and aid in long-term growth. It is our firm belief that the various sectors under PSL offer huge growth opportunities and emerge as clear growth drivers in future. While complying with the letter and spirit of the needs and requirements of PSL, we are creating a domain leadership in the space.

The Bank's technology platform has witnessed huge investments and is built to drive and facilitate an inclusive society giving equal opportunities to all and empowering women. The Bank has designed and developed products under assets and liabilities which are affordable, easily accessible and flexible to the needs of the customers and align them to the evolving needs of customers.

## General Banking Operations

The Bank has strengthened the policy framework on “Know Your Customer” (KYC) norms measures from time to time, in line with regulations. The Bank has implemented a simplified procedure of “Know Your Customer”, which will benefit Lower Income Group persons to open accounts with minimal documentation, in line with the RBI Policy.

The Bank has implemented a state-of-the-art Workflow and Imaging System for Account Opening, booking Term Deposits, processing Trade Finance transactions and Branch Expenses processing.

The System enables faster turnaround time and movement of work from branch locations across the country to the Central Operations Unit in real-time mode, thus cutting out the time that physical forms would take to arrive through courier. This has helped improve efficiency at the branches as well as enhance client-servicing standards.

With the emphasis on digitalisation and e-KYC, the Bank has implemented Digital Account Opening through a mobile-based application, wherein the account opening process is straight-through and validation of KYC is online. This reduces the turnaround time for the account opening process and provides greater convenience to customers with stronger controls and compliance.

The Central Government through its third amendment on Prevention of Money-laundering Rules, 2005 dated August 19, 2019, has permitted banks and financial institutions to accept KYC documents electronically. Further, with a view to leveraging the digital channels for Customer Identification Process (CIP) by Regulated Entities (REs), RBI has allowed Video-based Customer Identification Process (V-CIP) as a consent-based alternate method of establishing the customer’s identity, for customer on-boarding.

Accordingly, the Bank introduced a Video-Based Customer Identification Process, thus customers to complete their KYC verification and account opening formalities from the comforts of their home to enjoy unlimited banking with zero paperwork.

The Bank is participating in the Clearing through Cheque Truncation System (CTS). As of March 31, 2022, the Bank had 1,683 branches covered under Grid Clearing, through its three CTS Centres in Mumbai, Chennai and New Delhi.

As of March 31, 2022, the Bank has Six Currency Chests - at Thane, New Delhi, Kolkata, Bengaluru, Chennai, and

Chandigarh. The Bank also participates in NACH (National Automated Clearing House) transactions both for Debit and Credit (ECS) in Mumbai, as also Aadhaar-based Payment System (ABPS) transactions through NPCI.

The Bank has adopted a “Comprehensive Policy” on settlement of claims, in respect of deceased depositors. The Policy covers all types of deposits/lockers and has simplified the procedure for settlement. The forms are also available on the Bank’s website.

The Bank has put in place a “Deposit Policy” and a “Fair Practice Code”. The former outlines the guiding principles in respect of various products of the Bank and the terms and conditions governing the operations of the accounts and the rights of depositors. The Fair Practice Code is voluntary, establishing standards to be followed by all branches in their dealings with the customers.

The Bank has framed the “Citizen’s Charter” to promote fair banking practices and to give information in respect of various activities relating to customer service.

The Bank has put in place a “Customer Compensation Policy”, as part of the commitment to customers, for any direct and actual loss by way of internal loss/payment of charges by the customer due to deficiency in service to the extent mentioned in the Policy. The Policy is based on principles of transparency and fairness in dealings with customers.

The Bank has framed the “Unclaimed Deposit Policy” based on RBI guidelines with the objective of classification of unclaimed deposits and setting up the Grievance Redressal Mechanism for quick resolution of complaints and record-keeping. Further, in line with RBI directives, balances in unclaimed deposits and other accounts are periodically transferred to “Depositor Education and Awareness Fund” (DEAF), w.e.f., June 2014. Customer details relating to unclaimed deposits are duly uploaded on the Bank’s website on monthly basis.

The Bank has formulated the “Customer Rights Policy” and the same is hosted on the Bank’s website.

The Bank has framed a “Customer Protection Policy” based on RBI guidelines with the aim to provide a safe, rational, superior and transparent service experience to the customers. The policy aims to address customer complaints related to all unauthorised transactions done through electronic mode. It also lays down the criteria for determining customer liability in different circumstances and increases awareness among the customers.

## Corporate and Global Markets Operations

Corporate and Global Market Operations (CGMO) is responsible for the operational delivery of a wide array of products offered to customers in both Corporate and Retail segments, related to Trade Services, Supply Chain Finance, Cross Border Remittances, Cash Management, Foreign Exchange, Derivatives, Bullion and Depository Services, Portfolio Investment Scheme and Exchange Clearing.

CGMO teams ensure high standards of operational delivery to customers, despite operating with continued challenges associated with the pandemic situation. We made good progress in its key focus areas which included (a) enhancing customer experience through seamless delivery and digital enablement (b) strong employee engagement and development (c) process simplification and automation (d) proactive management of risk e) ensuring compliance with regulatory guidelines

### Customers

1. Onboarding of customers onto the Connect On-Line and Indus Direct channels continued to be a strong focus area. During the year, there was a steady increase in channel adoption and digital initiation by Trade, Remittance and Cash customers, especially by our Gems & Jewellery group client.
2. CGMO continued to proactively simplify key processes, aimed at enhancing customer convenience in dealing with the Bank on transactional matters. Strong support was provided to the growth of business in the GIFT City branch.
3. Strong operational support was key to three-times volume growth in the Portfolio Investment Services business. Exchange Clearing Operations also efficiently handled record volumes of ASBA applications related to several major IPOs during the financial year.

### People

1. Once again CGMO teams demonstrated great resilience and customer focus in ensuring high quality of delivery and support, while operating through the pandemic. There were many accolades from customers, across all segments, for the support provided.
2. Leaders ensured high levels of engagement with the teams across all locations. Virtual Town Halls covering all CGMO teams across over 50 locations were very well received. Learning & Development initiatives continued to be in high focus. A series of workshops on Customer Service Excellence has been initiated to enhance servicing capability of all frontline staff.



## Capability Enhancement

1. CGMO made significant progress in its pursuit of enhancing delivery capability through major system upgrades and automation initiatives, resulting in superior customer experience and operational efficiency.
  - A. As part of an automation initiative unique in the Trade & Remittance domain, a new “state of the art” system was implemented for high-volume Inward & Outward Remittances. This entailed complex integration of multiple systems and applications to automate various operational actions, resulting in a significant reduction in Turnaround Time for customers. This was a landmark automation and will be expanded to cover other Trade & Remittance products as well
  - B. Automated System implementation for select Supply Chain Finance (SCF) customers was initiated in a phased manner, with seamless transaction processing and real-time disbursement – with all validations built online, delivering a best-in-class experience for SCF customers.
  - C. Upgrade of the core Treasury system, with over 100 customisations to support business growth and improve controls.
2. Important industry-level changes were seamlessly implemented in a timely manner. This included significant global changes like the transition from LIBOR to Alternative Risk-Free Rates and a major SWIFT upgrade.

## Risk

1. Operational risk for CGMO processes was managed in a controlled environment, in the backdrop of a dynamic risk landscape, and unconventional arrangements during the pandemic. There was a strong focus on regulatory compliance.
2. Timely submission of a large volume of regulatory reporting was ensured throughout the financial year.
3. Regulatory projects with CGMO implications were implemented within timelines, this included NPA/NPI automation, incorporation of Legal Entity Identifier in NEFT/RTGS messages, etc.
4. A digital model was implemented for Enhanced Due Diligence of customers, aimed at significantly accelerating the on-boarding of customers.



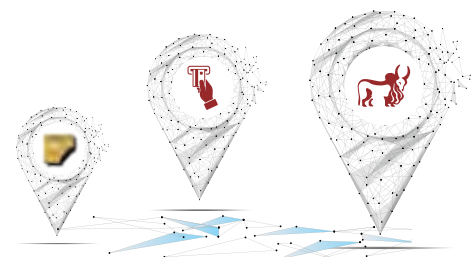
## Branch Network and Infrastructure

With a total network of 2,265 banking outlets and 2,767 ATMs, the Bank has a presence in all 28 States, and 7 out of the 9 Union Territories. The Bank has International Financial Services Unit (IFSC) Banking Unit (IBU) at the Gujarat International Finance Tec-City IFSC (GIFT City) to meet the requirements of offshore banking operations from India. In addition, the Bank also has Representative Offices in London, Dubai and Abu Dhabi.

Apart from expanding its Pan-India network, the Bank has set up 10 PIONEER branches in Mumbai (Juhu, Pedder Road and Lower Parel), Pune (Ghole Road), Delhi (Defence Colony and Punjabi Bagh), Gurugram (Palm Springs), Chandigarh (Sector-9), Kolkata (AJC Bose Road) and Chennai (R. K. Salai Road, Mylapore). The Bank has 6 currency chests located in

Mumbai, Delhi, Chennai, Kolkata, Bengaluru and a new one set-up in Chandigarh.

The Bank also leverages its presence and customer service through 2,795 branches of Bharat Financial Inclusion Limited (BFIL), a wholly-owned subsidiary of the Bank and 816 outlets of IndusInd Marketing and Financial Services Private Limited (IMFS), an associate entity. As of March 2022, there were more than 46,976 active Bharat Money Stores, managed by BFIL, acting as the Business Correspondents of the Bank.



## Information Technology

### Technology in IndusInd Bank

IndusInd Bank's IT strongly continues to adhere to its strategic objectives by successfully adopting and executing the Bank's 5th Planning Cycle (PC-5) and staying true to its mission and partnering with the business functions to re-imagine the next-generation bank. Through innovative business models, products and partnerships, IT has continued to provide compliant, secure, resilient and high-performing solutions to our employees and customers. The Bank has prioritized its commitments to provide the best-in-class customer experience and robust risk management capabilities with IT being the backbone. The IT's strategy and execution under the guidance of the board and the executive management of the Bank, have been based on the following fundamental principles:

1. Lead innovations on digital products.
2. Build and service resilient products with superior performance
3. Enhanced customer service
4. Improved Risk management
5. Business strategy underpinned by sustainability

The Bank has embraced new-age architecture and moved towards a multi-cloud environment with a strategy to achieve a balanced presence in Hybrid Cloud. To enhance customer experience, the Bank has implemented multiple solutions focusing on providing paper-less, presense-less and cash-less solutions like IndusCredit, IndusDirect and Indus Merchant apps.

To enhance customer experience and to provide new-age feature enhancements, the Bank is on the path to upgrading its core banking application suite. The new digital accelerator

will facilitate higher volume growth and enable high transaction processing capability. It will also allow APIs integration for digital channels compatibility and our move towards cloud native/cloud deployment.

To amplify its reporting and analytics capabilities, the Bank is in the process of upgrading its Enterprise Data Platform, allowing us to handle un-structured data and real-time data ingestion for real-time alerts and messages, better visibility of the data across systems for better customer visibility and service needs as well as manage incremental data requests from Regulators.

### Some key transformation themes and initiatives launched in FY2021-22:

- **Superior customer experience – New Initiatives:**

1. **IndusEasyCredit**

With this launch, the Bank was one of the first private banks to have a completely digital end-to-end journey for new clients in personal loans and credit cards. It is an end-to-end paperless, presence-less, cashless journey for new Bank clients seeking personal loans or credit cards for real-time decision making to enable approval within minutes and quick disbursement, bringing "time to yes" down to five minutes, and time to cash to less than 24 hours.

Recently, the Bank has also launched the 'EasyCredit for Business Owners' and the plan is to add more products to the IndusEasyCredit stacks on an ongoing basis.

The advertisement features the IndusInd Bank logo at the top right and the IndusEasyCredit logo at the top left. The main headline reads "Your invitation to the Happiest New Year!". Below this, it says "Get all that you desire with an instant Personal Loan #SkipTheWait". A QR code is provided with the instruction "To apply scan the QR code". At the bottom, three circular icons represent the benefits: "Flexible Tenure" (hourglass icon), "100% Online Process" (globe icon), and "Instant Approval" (checkmark icon). The background is decorated with gift boxes and confetti.

**2. UPI Pre-Paid Voucher**

Amongst the first 5 banks as a part of Proof of Concept and Implementation, pre-paid voucher is a new UPI feature that enables Govt. Entities/Corporates to issue UPI-based Pre-paid vouchers (Code sent via SMS/email to end-user) that can be used at any merchant/shop enabled for acceptance. It can be issued up to INR 10,000 with a validity period of up to 1 year and facilitates a cashless solution to offer benefits without documents/KYC with controls in place. The application allows for customer authentication via OTP at the time of benefit redemption. Launched for COVID-19 vaccination benefits and potential roll-out of assistance under women and child development welfare schemes; TB eradication programmes, schemes like Ayushman Bharat, Pradhan Mantri Jan Arogya Yojana, fertiliser subsidies, Gift vouchers, etc., are popular prepaid instruments and can be leveraged on this platform; Fuel top-up vouchers are daily requirements for fleet segments and also offered by corporates to their employees, and e-RUPI vouchers can also be used for the same.

**3. Single Sign-On (SSO) for Corporate Channels**

It is a first-of-a-kind project where single sign-on has been implemented for external customers through complex architecture, integration and seamless migration. This was a Strategic project to change the customer interface and bring about convenience by offering a single login interface to our corporate clients who are using Connect Online and IndusDirect portals. SSO project aims at bringing a seamless experience to the client with minimal changes to be done at client experience and all experience will be completely managed by the Bank from the backend. This also helps provide one of the best customer experiences going forward and will augment channel migration to a larger extent.

**4. SME Journey - Indus Direct Mobile App**

Adding to the Bank's leadership in technology offerings and being one of the best in the industry, targeted specifically for the SME segment - Indus Direct Mobile app will help in engaging and garnering new businesses from this segment by offering additional products feature on the mobile app. Over a period of time, the acquisition of business will be supported by the augmented features to become a comprehensive single App connecting to both Indus Direct and Connect Online for Cash and Trade functionalities that satisfies SME customers. The application provides Secure Two Factor Authentication using Biometric (Finger Print).

**5. Indus Merchant Solutions Mobile app**

Indus Merchant App has been implemented to be a one-stop paperless solution for Merchants. With this initiative, we intend to combine the digital, paperless and Omni-flow experience of various payment companies with the banking features to create an all-in-one 'Merchant in a box solution' for the customer, providing benefits like Do-It-Yourself journeys for Current Account opening and merchant on-boarding, Single-view enriched dashboard for merchants in graphical form, Manage/Accept digital payments through multiple modes anytime/anywhere, Single Consolidated view of all banking relationships across deposits and loans, seamless access to EasyCredit for business owners suite of products, Account Maintenance and Service requests, Ability to fund transfer using NEFT and IMPS and also the Ability to accept payment digitally using UPI QR, Link-based, Khata & Cash.



- **New Products/Innovations with Superior Operating Efficiency**

1. **Enterprise Payment Hub**

The Project involves the integration of digital payment into a single hub for RTGS, NEFT, IMPS, NACH, AEPS and UPI applications ensuring its alignment to - RBI's Payment Vision 2019-21 and also converges into the Payments strategy of the Bank.

2. **Digital Collections Portal**

Digital Collections portal is implemented as a self-service Cloud-based platform for the Bank to manage their delinquent customers and drive digital collection. It covers the requirement to incorporate a digital customer platform for the collection repayment process. The digital solution caters to Retail Personal Loan portfolios + Credit Card. The benefits are:

- Leveraged machine learning (ML) to optimize customer engagement.
- Multi-channel communication, including SMS, Email and WhatsApp can integrate with other channels as well.
- Empathetic client communication with personalized landing page and updated credit behaviours.
- Advanced integrations can enable a frictionless self-service experience to exit risky accounts and resolve outstanding dues with superior customer experience.
- Assists delinquency reduction, portfolio management and customer financial literacy.

3. **Trade Accelerator**

The Bank's Trade Accelerator system has been designed with a vision to create a solution that will enable quick transaction processing of Inward and Outward Remittances, followed by all other Trade & Remittance products to achieve improved efficiency, cost reduction and faster turnaround times for the process and at the same time, provide enhanced visibility to operations and other stakeholders. It is a smart Intelligent Workflow tool that can help enhance Front End Client serving experience.

- **Security, Risk & Internal Efficiency Initiatives**

1. **Anti Money Laundering & Fraud Management System Upgrade**

With growing digital transaction volumes there was a need for an initiative to manage high Transactions Per Second, overcome technology obsolescence, Security vulnerability closures and regulatory compliance action items. The functional benefits include Enhanced name screening, Optimized record

maintenance without downtime, Inbox Enhancements for Branch co-ordination, STR Generation Enhancement, Pre-facto Score Based Decision support, and Online Trade Sanction Screening.

Continuing in its efforts to provide resilient environment, the Bank is in the process of modernizing its data centre (DC) with its migration on to a Hyper-scale DC comprising of Cloud pod architecture. New DC would be in line with Data center Evaluation Framework consisting of various Parameters and latest International Guidelines from IEEE.

The Bank is also in process to upgrade its core banking application suite. The new digital accelerator will facilitate higher volume growth and enable high transaction processing capability. It will also allow APIs integration for digital channels compatibility and our move towards cloud native/cloud deployment.

- **Technology Awards**

1. **Celent Model Bank Award 2022**

IndusInd Bank has won the global Celent Model Bank award under the category of Payments System Transformation - for its Enterprise Payment Hub initiative. Celent Model Bank is awarded for best practices of technology usage in different areas critical to success in banking and is the main award that a financial institution (FI) can receive from Celent. The award was granted subject to an interview and followed by a written case study which was featured on Celent Site featuring our program for payments transformation.

2. **Finacle Innovation Awards 2021**

IndusInd Bank has been the winner in the following categories - COVID Response Innovation (for the initiative - IndusEasyCredit for Individuals) and Ecosystem-led Innovation (for the initiative - Account Aggregator Framework).

3. **VMware Customer Excellence Award for Improved Customer Experience**

IndusInd Bank was the winner in the Improved Customer Experience category of the global VMware Customer Excellence Awards announced in October 2021 at VMworld.

## Human Resources

The Bank has a strong human resource focus and believes in harnessing human capital to support its business ambition. The Bank always strives to create a performance-enabling culture and continues to promote entrepreneurship, innovation, compliance, and discipline as its core values.

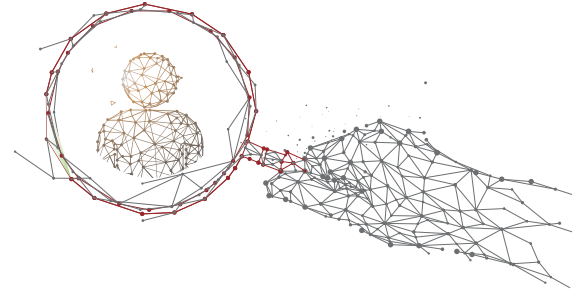
FY2021-22 was again a very challenging year for the entire nation and the global economy in particular, due to repeated waves of COVID-19 pandemic, global conflicts and ensuing economic disruptions. One of the key focus areas of the Human Resources function during the financial year was to enable employee well-being and also ensure business continuity for superior customer service.

The Bank's Human Resources function agenda is to be a strategic business partner to create an enabling culture to be the Employer of choice. The functional theme is to attract and retain quality talent, employee development, performance-linked compensation, aspirational career plans, compliance with the regulatory and statutory guidelines, and employee engagement to create a dedicated and motivated work-force.

Improved performance on business metrics, quality talent intake from the marketplace, improved diversity and inclusion quotient, and stability at strategic business leadership layers are some of the parameters that indicate the Bank is becoming a preferred career destination amongst job seekers.

### Key Highlights:

- The Employee headcount of the Bank stood at 33,582 as on March 31, 2022. The Bank pursued strategic resourcing for supporting new business initiatives, hiring domain experts and expanding its footprint by hiring for new branches.
- The Bank continues to deploy diversified hiring channels such as Employee Referral Schemes, Job Portals, Consultants, Campus Hiring, and Social Media for quality hiring. Social Media (LinkedIn, Facebook) is continuously leveraged for hiring domain experts and senior leaders. Intensified hiring through Employee Referral Schemes indicates strong brand endorsement. The Bank also refined the campus into a corporate program to induct fresh blood/future leaders and provide meaningful career opportunities.
- The Bank progressed a robust Succession Planning exercise under the guidance of its Board to ensure business continuity for critical roles, facilitate a smooth and timely leadership transition and, also to identify and groom the internal talent pool to assume leadership positions on a need basis. As a part of the Succession Planning exercise, the Bank on-boarded several external/internal incumbents to assume leadership positions.
- The Bank continued to focus on building cutting-edge skills/competencies through digital learning initiatives.



The learning process emphasized on capacity building through learning roadmaps role-wise/Business Unit wise, Gamified learning programs, Mobile learning applications, Leadership development programs, Domain-specific programs (digital, risk, credit, treasury, compliance) and mandatory regulatory certifications. The learning road maps followed a well-defined learning process comprising learning need identification, dissemination of learning plan amongst the stakeholders, learning delivery through digital modes (virtual classroom sessions/e-learning), and structured learning feedback mechanism to improve learning design and efficacy.

In FY2021-22, the Bank conducted over 13,15,000 digital learning man-hours with an emphasis on leadership development, selling and negotiation skills, managerial effectiveness, customer focus and responsiveness, banking products, operational processes, credit, risk, treasury, and orientation programs.

The Bank also created awareness and conducted learning programs on aspects of Compliance, Business ethics, Business etiquette, Prevention of Sexual Harassment, Cyber security, and Risk management to enable employees to comply with the regulatory/statutory guidelines.

- Performance Management process is the backbone of the Bank's business performance. The Bank follows a robust Performance Management process which comprises KRAs/SMARTs setting linked to the business objectives of the Bank. Compliance as a goal received due emphasis and is an integral part of the SMARTs of employees.

The Annual Performance Appraisal for FY2021-22 was based on tangible achievement of performance objectives, which in turn were linked to the compensation actions. The process also focused on building a future leadership pipeline for enhancing the Bank's business growth and performance feedback conversations for addressing performance issues to enhance employee productivity.

- The Bank's strategic intent has always been to Attract, Reward and Retain critical talent and ensure compliance with the RBI Compensation guidelines.

The Bank's core Compensation philosophy is to "Pay for Performance" and Role criticality, be a competitive paymaster and offer market-linked performance-based compensation, build long-term employee ownership through ESOPs, be risk conscious and dissuade excessive risk taking for short-term results. In line with its compensation philosophy, the Bank undertook a salary revision exercise in FY2021-22 across junior and middle management levels to build internal and external compensation parity.

Market-linked compensation, ESOPs, Long Term Incentive Plans (LTIPs), and Differential Bonuses are the drivers for retaining critical talent. Apart from these, the Bank also focuses on Job Enhancement, Accelerated Career Paths as Continuum programs, Work-life Balance, Job Rotations, Empowerment and Autonomy as other retention drivers.

- The Bank believes in Employee Connect and bonds with its employees through various employee engagement initiatives. Quarterly Webcasts by the MD & CEO helped to communicate the Bank's business direction and performance and emphasised core values of compliance, integrity and discipline. The Bank has also launched We Connect, Let's Connect and Coffee Connect initiatives to understand and resolve employee issues, and facilitate employee retention and development.

The Bank also celebrates occasions such as International Women's Day, regional festivals, promoted sports events, etc., across locations and acknowledges long-term employee association with the Bank through service awards.

The Bank continued to battle the COVID-19 pandemic in FY2021-22. The entire focus was on protecting its employees and customers through the Issuance of Comprehensive COVID-19 Guidelines, Work from Home Advisory, Virtual Branch Visits, Adherence to Government guidelines, etc.

The Bank also launched several schemes to support employees during the pandemic such as an Employee Welfare Fund to support families of deceased employees, free double-dose Vaccinations, subsidised Two-Wheeler loans, a Top-up option under Group Medclaim schemes, economic assistance to affected employees, etc.

- Digitisation will be the ongoing theme to continuously improve the Employee Lifecycle processes. The Bank launched several initiatives such as a Digital On-boarding platform, an Internet-based on-boarding process, an Online Staff Account Opening, a Career Platform, a New Learning Management System platform, Mobile App based Employee Lifecycle Process, and Mobile-based Learning Application.

All the Employee Lifecycle HR processes were managed seamlessly within the stipulated TATs. Online Employee experience surveys launched by the Bank further helped to gather real-time employee feedback and ensure remedial actions.

The Bank passionately pursues "Discipline and Compliance" as its core values and encourages employees to abide by the Bank's Code of Conduct and be compliant with the regulatory/statutory requirements.



## Employees Stock Option Scheme

On September 25, 2020, the shareholders of the Bank approved the IndusInd Bank Employee Stock Option Scheme 2020 (ESOS 2020), which comprehensively replaced the erstwhile Employee Stock Option Scheme 2007 (ESOS 2007) that was approved by the shareholders earlier on September 18, 2007. The ESOS 2020 enables the Board and the Compensation Committee to grant a number of stock options of the Bank not exceeding 7% of the aggregate number of paid-up equity shares of the Bank, in line with the guidelines issued by the SEBI. The options vest at one time or at various points of time as stipulated in the Award Confirmation issued by the Compensation Committee, and there shall be a minimum period of one year between the grant of option and vesting of the option. The unvested options shall expire by such period as stipulated in the Award Confirmation or five years from the grant of options whichever is earlier, or such further or another period as the Compensation Committee may determine. The exercise price for each grant is decided by the Compensation Committee, which is normally based on the latest available closing price and shall not be lower than the face value of the shares. Upon vesting, the options have to be exercised within a maximum period of five years or such period as may be determined by the Compensation Committee from time to time. The stock options are equity-settled where the employees will receive one equity share per stock option.

Pursuant to a Composite Scheme of Arrangement with the erstwhile Bharat Financial Inclusion Limited, the shareholders of the Bank approved the IBL Special Incentive ESOS for BFIL Merger 2018 (ESOS 2018) on December 11, 2018.

ESOS 2018 was approved with a pool of 57,50,000 Options which are equity settled. Around 50% of the options vest over a period of three years from the grant date and the remaining options vest over a period of three years from the first anniversary of the grant date. Upon vesting, the options have to be exercised within a maximum period of five years.



## Risk Management

Management of risks inherent in the Banking business effectively and proactively is critical to sustainable growth. Banking is exposed to a wide range of risks and such risks must be measured precisely, monitored on an ongoing basis and managed effectively. A robust Enterprise-wide Risk Management (ERM) framework enables precise measurement of respective risks, effective and proactive management of various risks while supporting business growth. ERM framework helps to maintain earnings quality and stability while aligning risk appetites with business strategies.

The Bank has an integrated Risk Management Department, independent of business functions, covering Credit Risk, Market Risk, Assets-Liabilities Management (ALM), Operational Risk Management and Business Continuity Management (BCM). Risk Management practices in the Bank have been aligned with the best industry practices and are adaptable to a dynamic operating environment and market conditions.

### Credit Risk Management

Credit Risk is managed both at the transactions level as well as at the portfolio level.

The key objective of Credit Risk Management is to maintain credit quality within the defined risk appetite while achieving appropriate returns in relation to risks assumed. Various measures adopted for the management of Credit Risk are mentioned here under:

- Credit Risk policies are aligned with business strategies with defined risk appetite. The policies are maintained in alignment with changes in RBI guidelines and economic environment;
- Credit Risk at the time of credit assessment is gauged by means of risk-rating models, implemented for different business segments;

- Credit Portfolio Management Analysis monitors credit quality, the composition of portfolios, concentration risk, yield v/s risk and business growth;
- Measurement and monitoring of credit quality regularly by means of Weighted Average Credit Rating (WACR) of the credit portfolio;
- Prudential internal exposure limits prescribed for assuming exposures on counterparties (linked to the internal rating of borrowers), industries, sectors, etc.;
- Measurement of the credit quality of Vehicle Finance portfolios by means of Behaviour Models;
- Sector reviews are carried out to assess and evaluate potential risks and stress within such sectors for analysing the impact of stress on portfolio health and taking proactive actions to mitigate such risks;
- Management of exposures to counterparty banks and the countries by setting exposure limits basis their risk profiles and monitoring such exposures regularly;
- Stress Testing of Credit Portfolios is carried out periodically to measure the shock-absorbing capacity under multiple stressed scenarios and assessment of the impact of potential credit losses on profitability and capital adequacy, thus enabling initiation of appropriate risk mitigation measures;
- Early Warning Signals (EWS) system implementation for tracking risks and alerts in borrower's accounts as a post disbursement monitoring mechanism;
- Credit Quality Assurance, which is independent of business and credit, for tracking post disbursement weaknesses developing in the account for initiating corrective measures in time.

Further, the Bank is working on the Modernisation of SAS Platform which supports the computation of Credit Risk Capital charge to manage regulatory evolution and high-volume growth within optimal processing timeframes.

Despite the challenging environment posed by the pandemic impact, the Bank has maintained the asset quality of its portfolio, with its NPA being one of the lowest in the industry. The Bank has been proactively assessing the impact of COVID-19 on its asset quality, profitability and capital adequacy. Such an assessment facilitated the Bank in making a strong provision buffer and managing risks in a better manner. During the year, the Weighted Average Credit

Rating (WACR) of the Credit Portfolio has remained stable. The Bank has always strived towards maintaining a balanced mix of Corporate: Retail loan books.

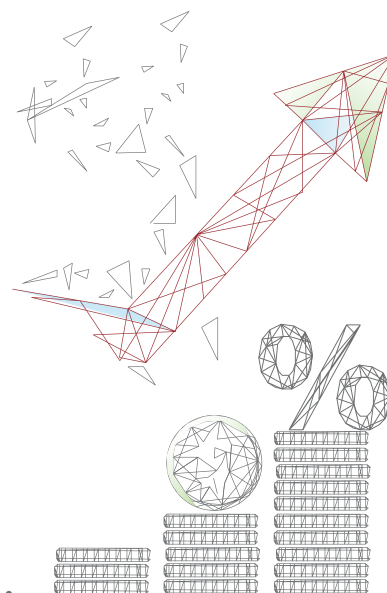
The Bank has been introducing a wider range of retail products and their variants, to have a larger share of the wallet and to meet customers' needs. Such products are governed by structured product programmes specific to the business, which details the criteria for customer selection and underwriting standards.

## Market Risk Management

Market Risk is the possibility of loss to the Bank caused by changes in market variables, such as interest rates, exchange rates, equity prices and risk-related factors such as market volatilities.

The Bank manages market risk in trading portfolios through a robust Market Risk Management Framework prescribed in its Market Risk Management Policy.

The Bank has implemented a state-of-the-art Market Risk Management System (SAS) complemented with the Treasury system "Calypso", which supports the monitoring of risk parameters and risk sensitivities including computation of Market Risk capital charge. The Market Risk Management system supports advanced risk measurement functionalities for the proactive management of risks. The system supports monitoring of Value-at-Risk (VaR) limits, Risk Sensitivity limits such as PV01 and Greeks for Forex, Investments, Equity and Derivatives portfolios, besides Stop-Loss limits, Exposure limits, Deal-size limits, etc. Valuation of all portfolios are undertaken daily, and the risk sensitivities are monitored on a daily basis.



### Asset-Liability Management

The Bank's Asset-Liability Management (ALM) system supports effective management of liquidity risk and interest rate risk, covering all assets and liabilities.

- **Liquidity Risk** is managed through Liquidity Coverage Ratio (LCR), Structural Liquidity Gaps, Liquidity Simulation, Dynamic Liquidity monitoring, Net Stable Funding Ratio, Liquidity Ratio analysis, Behavioural Analysis of liabilities and assets using advanced measurement measures. Risk values, mismatches under various time buckets and liquidity ratios are monitored against regulatory and prudential limits prescribed under the Asset and Liability Management Policy.
- **Interest Rate Sensitivity** is monitored through prudential limits for Rate Sensitive Gaps, Earning at Risk, Modified Duration of Equity and other risk parameters.
- **Interest Rate Risk** on Trading Portfolios is monitored through Market Risk Measurement tools such as VaR, PV01 and other Risk Sensitivities on a daily basis. Optimum risk is assumed through the Market Risk Measurement parameters, to balance between risk containment and profit generation from market movements.

Detailed analysis of liquidity position, interest rate risks, product mix, business growth versus budgets, interest rate outlook, etc., is presented to Asset-Liability Management Committee (ALCO) which meets frequently and deliberates on liquidity position and interest rate risk and reviews business strategies.

ALCO provides directional guidance to Business Units towards effective management of liquidity position while achieving business goals. The Bank assesses its structural liquidity position, Liquidity Coverage Ratio (LCR), and Liquidity measures, on a daily basis for managing liquidity in a cost-effective manner.

### Stress Testing – Liquidity Risk

The Bank carries out stress tests on liquidity position periodically, to assess the impact of stressed liquidity scenarios on funding and liquidity position. Periodic Stress tests help to be better equipped to meet stressed situations and have contingency funding plans in place.

The Bank regularly conducts stress tests to assess the potential impact of COVID-19 on the liquidity position of the Bank under stress scenarios, assumed with varying severity. Results of such stress tests are presented to ALCO and discussed, and the Committee provides guidance/direction for pro-active management.

### Contingency Funding Plan

The Bank has put in place Contingency Funding Plan (CFP) to respond swiftly to any anticipated or actual stressed market conditions. The Contingency Funding Plan is reviewed periodically.

The Bank reviews its contingency plans considering evolving market conditions. Contingency Funding Plan covers monitoring of internal as well as external contingency triggers, categorised into Yellow, Amber and Red. The CFP mentions the available sources of funds to supplement cash flow gaps in the event of stressed scenarios. CFP prescribes the conditions basis contingency triggers for assessment of liquidity position and invocation of contingency plan, if deemed appropriate.

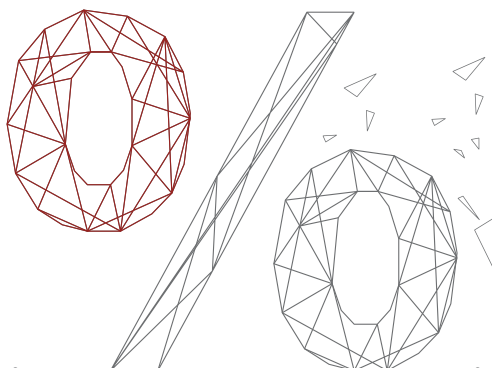
Roles and responsibilities of the Contingency Management Group constituted under the CFP have been defined to facilitate the effective execution of contingency plans in the event of invocation of a contingency plan. The Bank carries out CFP testing to assess the effectiveness of the plan.

### Interest Rate Risk on Banking Book

Interest Rate Risk on Banking Book (IRRBB) largely arises on account of (i) Re-pricing Risk; (ii) Optionality; (iii) Basis Risk; and (iv) Yield Curve Risk.

From an economic value perspective, it is the Bank's policy to minimise sensitivity to changes in interest rates on assets and liabilities. Interest Rate Risk is measured based on the re-pricing behaviour of each item under asset, liability and off Balance Sheet products. The Bank's Assets and Liabilities Management Policy have laid down tolerance limits based on the risk appetite and the impact on NII and the Economic Value of Equity (EVE) for a given change in Interest Rate.

The Bank has put in place the necessary framework to measure and monitor Interest Rate Risk on Banking Book using the Duration Gap Approach as well as the Traditional Gap Approach.





## Operational Risk Management

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, systems or external events. The Operational Risk Management Policy documents the Bank's approach towards management of Operational Risk and defines the roles and responsibilities of various stakeholders within the Bank. The Bank has put in place several operational risk measurement and monitoring frameworks for the management of Operational Risk. Besides the above, the Operational Risk Management framework effectively manages operational risk through several internal committees, viz., Operational Risk Management Committee (ORMC), Fraud Risk Management Committee and BCM Steering Committee.

With the objective to reinforce the Operational Risk Management Framework in the Bank, an Enterprise Governance Risk and Compliance (EGRC) system has been implemented. This system has the following key components:

- **Incident Management Module** enables reporting and management of incidents (i.e., operational risks and fraud incidents), Root Cause Analysis (RCA), internal escalations, action plans, resolutions, etc., which helps appropriate actions towards mitigation of such risks.
- **Issue and Action Module** enables tracking and monitoring issues emanating from Root Cause Analysis, Risk Assessment, Actionables relating to various operational risk issues, products/processes approvals, etc.
- **Key Risk Indicator (KRI) Module** enables reporting, monitoring, tracking, trend analysis of Key Risk Indicators. It has been designed to generate periodic reports for respective units and provide the KRIs to Function-Heads, Department-Heads, and Business-Heads for necessary actions towards mitigation of such identified risks.

- **Risk and Control Self-Assessment (RCSA) module** provides a single platform enabling identification of operational risks, recording of such risks, assessment of residual risks and effectiveness/adequacy of corresponding controls, etc. RCSA module shall progressively reinforce the assessment of operational risks and their mitigation. Status of operational risks, associated controls, Heat Map and Risk Index are generated by the system for concerned stakeholders (Operation Heads, Department Heads, Business Heads) to take appropriate action towards risk mitigation.

## Operational Risk Assessment Process (ORAP) Framework

The Bank assesses new Products and Processes under the Operational Risk Assessment Process (ORAP) Framework. ORAP system has been implemented to reinforce the identification of risks associated with new products/processes and assign necessary controls before the launch of the products.

## Operational Risk Stress Testing Framework

In order to strengthen the existing Operational Risk Framework and make it more forward-looking and assess resilience under stressed scenarios, the Bank has created an Operational Risk Stress Testing Framework covering different operational risk scenarios. Stress tests are carried out to gauge the impact of stressed events on the Profitability and Capital Adequacy of the Bank.

As per RBI guidelines, the Bank has been following Basic Indicator Approach for the computation of capital charges for Operational Risk.

## Systems Risk

The Bank deploys the best Information Security capabilities, where it continuously strives for excellence in the respective areas of tools and practices which the Bank is using to protect its IT infrastructure and information.

The Bank has adopted the ITIL framework and ISO/IEC27001 standards. These are globally accepted and proven standards which provide best practices and tools for monitoring and managing IT activities. It enables clear policy development and good IT practice. This has helped the Bank to manage IT-related risks and ensure compliance, business continuity, security and privacy. Bank's Data-Centres, IT and Support functions are ISO 27001:2013 certified.

The Bank has a Board-approved Information Security Policy and Cyber Security Policy. The Bank has a Board-approved Cyber Crisis Management Plan in place. These guide the Bank in mitigating the risks from Cyber Security incidents by providing complete coverage for response to various cyber security incidents, effectively and efficiently. This establishes the Cyber Security resilience vision of the Bank. The framework and processes help consistent approaches during various stages of detection, identification, containment, eradication, and recovery from specific Cyber Security incidents.

The Information Security Department identifies risks, vulnerabilities and solutions, securing critical information and enforcement activities related to Information & Cyber Security. Various other departments, divisions and groups of the Bank assist in the implementation of Information & Cyber Security practices.



IndusInd Bank has a robust and resilient IT network infrastructure comprising servers with a guaranteed 99.98% uptime. IndusInd Bank has a DR site and connectivity of 1Gbps between DC and DR Centre. This enables IndusInd Bank to handle a huge volume of transactions.

IndusInd Bank and its branches within India and across the globe are very highly dependent on Information and Communication Technology (ICT) to deliver various services to its customers, members, corporates, governments, etc.

IndusInd Bank has ISO 27001:2013 certified captive Security Operations Centre (SOC), which works on a 24x7x365 basis to ensure IndusInd Bank's capability to detect and respond to cyber security threats. The SOC monitors all security incidents that occur in the IndusInd Bank infrastructure and correlate events, identifies threats and supports incident response in real-time.

The Bank's security services partner provides the services through a combination of onsite and offsite resources. The Bank has invested in a leading SIEM solution, Anti-phishing, Anti-malware, and DDoS protection services are also being delivered. Alerts are monitored and responded to by the remote security team on a 24x7 basis. Qualified security events or series of events that contribute to a successful attack or breach which causes significant disruption of business operations and/or breach of information/data are logged as security incidents.

The Bank has also tied with external experts for Cyber Security Incident Response Management. The Incident Response Plan defines major categories of incidents and incident handling procedures. In case of a critical cyber security incident, external experts are having retainers' arrangements for assisting the Bank, and for bringing in crucial expertise during the incident response. The Bank has Cyber Security incident insurance in place.

Insider Threats/Internal Frauds are mitigated and monitored through various channels like the Surveillance Unit, etc. The Bank communicates awareness messages and tips through various digital channels, e-learning, classroom training and workshops. The program is aimed at raising awareness around cyber frauds, safe use of the internet and online banking, recognising and avoiding phishing/vishing attempts, tips for safe use of credit/debit cards, and protection from malware and malicious websites, et al. The awareness program addresses internal users, customers and partners.

From a technology perspective, the Bank has taken several measures to detect and protect against such threats in a timely manner. The Bank has subscribed to services to detect any Rogue mobile application and phishing site detection of the Bank and for the phishing sites. On confirmation by the Bank about a suspected app/site to be unauthorised, the takedown is immediately initiated.

The Bank has also subscribed to DDoS protection services from its ISPs. Additionally, the Web Application Firewall protects against application-level DOS attacks. The Bank has taken a special initiative for feeds from the Dark Web through Threat Intelligence Services.

The Bank has a detailed and periodic Disaster Recovery Strategy to protect from loss or damage due to unforeseen events, e.g., ransomware, natural disasters, or single points of failure. The Bank has implemented a Disaster Recovery Strategy to recover information, restore systems, and resume operations. These strategies are a part of the Business Continuity Management (BCM) plan, designed to enable and maintain operations with minimal downtime.

The Bank has a defined Vulnerability Management Plan which is used to reduce inherent risks in an application or system. The idea behind this practice is to discover and patch vulnerabilities before issues are exposed or exploited. The Vulnerability Management Plan practices rely on testing, auditing, and scanning to detect issues.

The Bank is deploying threat hunting capabilities, which involves validating certain hypotheses for emerging threat scenarios.

The Bank deploys a variety of tools for fine-grained authentication and authorisations to restrict unauthorised users from accessing private information. These measures help the Bank to prevent harm related to information theft, modification, or loss.

The Bank is using Cloud for services and has similar protections to application and infrastructure security but is more focused on cloud or cloud-connected components and

information. The Bank's Cloud security adds extra protections and tools to focus on the vulnerabilities that may come from Internet-facing services and shared environments, such as public clouds.

With the advent of IT service management at the Bank, the Bank was to plan, design, implement, operate, support and improve IT services and align them with the business needs. This helps to map the processes with the right process owners and right process champions, functions with clear roles and responsibilities.

These various capabilities ensure that the Bank is deploying a safe and secure banking experience to the customers and hence trust in the digital properties of the Bank.

## Business Continuity Management

The Bank has implemented Business Continuity Policy (BCP), wherein critical processes and other enablers have been identified and appropriate recovery plans have been put in place for such critical processes to ensure timely recovery of the Bank's critical operations and services in the event of a crisis.

BCP Framework ensures continuity of critical processes to extend essential services to the customers. Regular mock tests are carried out to ascertain BCP preparedness. With the implementation of the EGRC system, key components of BCP such as Business Impact Analysis (BIA), BCP Recovery Plan, BCP Testing, and BCP Risk Assessment, are monitored through the system, which reinforces effective monitoring and management of Business Continuity.

## EGRC



### BCP - Coping with COVID-19

Anticipating the disruption due to the spread of COVID-19, the BCM Steering Committee of the Bank regularly reviewed the readiness of critical functions; decisions were taken and implemented swiftly to minimise disruption and provide critical banking services to customers. A Quick Response Team (QRT) has been constituted to handle the COVID-19 situations. Safeguarding the health and safety of officials and customers of the Bank has been accorded the top-most priority. Guidelines issued by the Central Government, State Governments and local law enforcement authorities have been adhered to. The Work-From-Home (WFH) strategy has been implemented. Resourcing was reviewed by Department Heads and teams carrying out similar processes were bifurcated into teams that will alternatively work from the office. Despite serious constraints due to the complete stoppage of public transport and imposition of curfew rules, the required minimum attendance was ensured at most of the Bank's branches and centralised operations.

### Health of Employee and Customer Safety

All officials at offices/branches observed COVID-19 protocols, usage of Masks, Sanitisers, Thermal Scanners, etc. Critical Banking Services, namely – Cash, Remittances, Clearing and Government business-related services were provided to customers. Around 90% of the branches and ATMs were kept operational on most days. Branches/Offices were sanitised on reporting of suspicious/confirmed COVID-19 positive cases. As a proactive measure, a large number of branches, offices and currency chests were sanitised. Suspected officials were advised to self-isolate, branches were sanitised and then only operations were resumed.

SOPs were issued with procedures to resume full-fledged operations post lockdown, ensuring the safety of employees at all establishments. Biometric devices were disabled for recording attendance at offices. Guidelines were issued to cover aspects like personal hygiene, handling of suspected cases, isolation and treatment, prevention of the spread of COVID-19, and self-reporting.

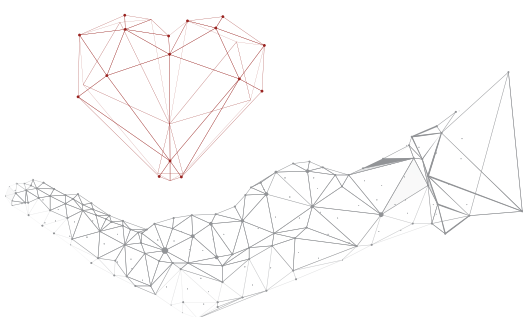


### IT Initiatives

Access to critical systems was provided to key officials through VPN. Proactive DR Drills for critical IT applications were carried out to ascertain the level of readiness and address the gaps if any. A 24x7 rigorous monitoring of network traffic was ensured by the IT team. Specific do's and don'ts to avoid cyber fraud, particularly under the Work-From-Home (WFH) arrangement, were reiterated through frequent communications to all employees.

### Customer-Centric Initiatives

Digital Channels namely, Mobile Banking, Internet Banking, and Chatbots were widely promoted through newspaper advertisements and social media campaigns. Posters, Standees, and POP displaying awareness about COVID-19 were arranged for branches /offices. Awareness Videos about COVID-19 were widely released through branches and offices.



## Marketing and Communications

IndusInd Bank has been a pioneer in undertaking initiatives that have redefined the banking landscape. Over the last 28 years, the Bank has constantly leveraged the latest technology to offer customers innovative banking solutions through multiple touch points, thereby making them a 'priority' in whatever we do. We have pushed the envelope, and have come together as a team to establish a strong 'universal' banking model, and consolidate our position as one of India's leading financial services brands. The Bank's Marketing & Communications strategy has always been aligned with this vision, wherein campaigns have been designed to understand stakeholders' interests and engage with them in their world.

### Indus Merchant Solutions

One of the key initiatives to go-to-market, this year, was Indus Merchant Solutions (IMS), an all-in-one app designed exclusively for merchants and retailers across segments, which caters to their banking, payments and loan-related needs. In order to create a distinctive look for the campaign and to create a cut-through for the segment, noted film and theatre actor, **Mr. Paresh Rawal** was roped in as a celebrity face for the IMS launch campaign. The campaign had both digital and print legs to it. Long-format videos, along with shorter edits were developed, which focused on all the critical features of the proposition. Print ads were developed with Mr. Rawal posing as an advocate for the App. The features highlighted in the campaign included:

- All in one App - for banking, loan and payment needs
- Pre-approved loans - instant, and without any security
- One-stop payment solution with POS, QR code and PayByLink
- Paperless account opening
- Auto-settlement of payments
- Digital ledger for managing credit ledger conveniently



The strategically planned campaign, covered print (national and vernacular dailies), digital and other offline media to create an optimum impact amongst the target group. The print campaign covered 19 select cities. Full-page jacket ads were published in The Times of India and The Economic Times, along with follow-up vernacular quarter-page ads in 6 key languages.

Digital media played a pivotal role in the campaign. Two long format films were released on YouTube and social media platforms, like Facebook, Instagram, Twitter and LinkedIn, along with shorter edits. The videos garnered **20 million** views over the period of the campaign. Marquee outdoor sites at Metro Stations were identified, and an attribute centric communication plan, featuring Mr. Paresh Rawal, was deployed to create appropriate recall-value.



### Paralympics Campaign

IndusInd Bank, in partnership with GoSports Foundation – a Bengaluru based NGO, that supports **43 para-athletes** across 7 disciplines from 14 states across the country. Around **21** of the total supported para-athletes represented the country at the 2020 Summer Paralympic Games in Tokyo, comprising **nearly 40%** of the overall Indian contingent that competed across disciplines such as Javelin Throw, Shooting, Swimming, Archery, Badminton, High Jump and more. With a view to commemorate the qualifications, IndusInd Bank launched a brand campaign titled - '**phirse #JeetKaHalla**', which spoke about the rigour of the preparation undertaken by its para-athletes. As part of the campaign, the Bank also unveiled a heartwarming and inspiring '**Anthem**' that showcases the grit and determination of these athletes. The Bank gave this initiative a wider reach, by embarking on a comprehensive **digital media** campaign that created the right impact and mobilized the momentum of seeking encouragement for these athletes.

- The Bank published two full page ads across all editions of The Times of India and The Economic Times. Both ads were front-page jackets that got published **across 33 cities**.
- The film - Phirse #JeetKahalla, which was shared through the Bank's social media handles garnered, **over 30 million** views across platforms, including Facebook, Twitter, LinkedIn, Instagram and YouTube.
- The Bank unveiled a new website for the 'Indus For Sports' vertical, which received **over 2 lakh** hits during the Paralympics campaign.
- The campaign also witnessed **630** social media influencers tweeting about the Bank's association with para-sports.
- Total impressions, which primarily pertains to the number of people who saw our digital assets of the campaign, like the banners, and the film across platforms, was **over 80 million**.

### Digital-first campaign with Sara Ali Khan

A digital-first campaign with noted film actor, **Ms. Sara Ali Khan** was launched in FY2021-22. The campaign showcased the Bank's robust suite of offerings, attractive interest rates, digital banking platforms, and much more. Four short format videos were released on the Bank's social media platforms - YouTube, Facebook, Instagram, LinkedIn and Twitter. The videos, which were created to develop awareness about the Bank's 'Auto Sweep' facility, high-interest rates, attractive offers on IndusInd Bank Debit & Credit Cards, online savings account, Video-KYC facility, and cyber security, garnered **over 2 million** views across social media platforms. A full-page jacket ad was released across the country in The Times of India and The Economic Times under the theme – 'Ultimate Savings Account'. The ad showcased the diverse set of useful features of an IndusInd Bank Savings account, which makes it one of the most attractive savings bank account in the market. The ad also showcased the 'FE Best Savings Product Award' that the Bank recently won.



### Club Vistara IndusInd Bank Explorer Credit Card

The Club Vistara IndusInd Bank Explorer Credit Card is a new addition to the IndusInd Bank Asset family. The Credit Card was launched in collaboration with Vistara Airlines and was positioned to attract travel enthusiasts by making them relish the luxury of best-in-class privileges that both IndusInd Bank as well as Club Vistara have on offer. The Club Vistara IndusInd Bank Explorer Credit Card offers customers up to 5 Complimentary Business Class Ticket Vouchers on milestone spending every year, Zero Foreign Currency Mark-up on all international spends, and up to 8 Club Vistara Points for every ₹200 spent. To fly this precious card into the hands of its users, we did a 360-degree marketing and advertising campaign. We launched the card with a beautiful and informative digital film which was supported by various posts on our social media handles. We also got an entire front page print ad published in The Times of India and The Economic Times, along with ATM screens and posters, transclides, as well as kiosks at airports and metro stations.



## IndusInd Bank Platinum Aura Edge Credit Card (For Govt. Employees)

The Platinum Aura Edge Credit Card is a new endeavour of the Bank that was exclusively launched for Government Employees. With this card, we wanted Government Employees to enjoy the benefits of an extraordinary life, wherein everything on offer is extra – savings, perks and rewards. The Platinum Aura Edge Credit Card offers a host of benefits that include 1% cashback on all retail spends, 1 assured BookMyShow ticket of up to ₹200 every 6 months in a calendar year, a reduced interest rate of 2.99% per month, a waiver of fuel & railway surcharge, reduced Interest rate of 1.1% per month with no processing fee on converting transactions & balances into EMI and zero-cash advance fees. Considering its target audience, we promoted the Platinum Aura Edge Credit Card through digital emailers that were specifically targeted at Government employees. This gave us visibility across 10 government organisations on the launch date itself. We also spread the message through emailers, WhatsApp messages for branches and DSA channels. Constant communication posts were put up on our social media handles to engage with relevant customers, which helped us generate over **450** leads in a span of 15 days.

## Retail Assets Campaigns

Retail Asset products were one of our major focus areas for this year. We did social media campaigns comprising various videos and posts for all the products which were further supported by knowledge emailers, product USP emailers, and WhatsApp messages targeting the customers/sales team/DSAs and branches.

## Indus Moments

Indus Moments, which started as a reward redemption website, has now grown into a full-fledged portal that offers discounts, offers, vouchers, flight bookings, and more. Apart from this, it also hosts an online concierge programme that offers various value-added services to our customers at their



fingertips. Time and again, various updates and integrations were made to keep this platform relevant to customers by providing a seamless and interactive platform. Several big

and new brand-related offers have been updated on a regular basis, which has resulted in a steady increase in visitor traffic to the portal. Currently, the website has over **1,30,000** unique visitors every month.

## NRI Homecoming

With a dip in COVID-19 cases across the country, and travel restrictions being lifted gradually, NRIs were expected to plan their much-awaited visit to India to meet friends and family. In a bid to capitalize on this opportunity, and grow our NRI Savings and Fixed Deposit book significantly by ramping up NRI NTB Acquisition and engaging with existing NRI customers, the NRI Home Coming Campaign was launched in November 2021. For each NRI customer on-boarded, during the period of the activity, the Bank contributed towards providing aid to underprivileged children through a reputed NGO, Akshaya Patra Foundation. In addition to this, complimentary heritage walks were organised for both existing and new NRI Clients. The itinerary covered 10 cities over 2 months. Our marketing efforts included a large-scale radio campaign, which commenced on December 21 across key NR markets, viz. Delhi, Mumbai, Chennai, Hyderabad, Chandigarh, Bengaluru, Ahmedabad, Vadodara, Trivandrum, Jalandhar, Kochi, Kozhikode and Pune. Marquee outdoor sites were taken for the campaign at airports in Chandigarh, Bengaluru, Mumbai and Bhubaneswar; Metro stations at New Delhi's Okhla, Noida and Mumbai's Chakala carried the campaign communication too, along with other collaterals and D2C communication that were developed.



## FD Radio Campaigns

IndusInd Bank executed a strategically planned radio campaign on the Bank's Fixed Deposit proposition, which was aired in 5 languages, viz. Hindi, Bengali, Tamil, Telugu and Kannada. The radio campaign was aired across 16 markets. The key idea behind the campaign was to communicate best-in-class FD interest rates and attractive Savings Account interest rates to the audience. Other than standard radio spots, the campaign also used multiple RJ mentions and sponsorship tags.

### Customer Awareness Initiatives

The Bank continued to educate customers about its digital banking platforms and offerings. The Bank continued to amplify the theme ‘Invested in your best Interest’ on social media. The campaign focused on promoting the Bank’s online savings account, its robust features, and best-in-class interest rates. The communication also focused on educating customers about cyber security and banking safely.

### Branding & Naming Rights of OKHLA NSIC Metro Station

To further strengthen the brand’s presence in one of the key markets for the Bank, a large-scale marquee property was identified in the heart of New Delhi - OKHLA NSIC Metro Station. Located on the Outer Ring Road, this is one of the busiest metro stations in South Delhi. The station is close to one of the main Industrial and manufacturing hubs and is in the same vicinity as some major commercial complexes, hospitals and popular temples. The Bank acquired the complete naming and branding rights of the Station. The property boasts of a larger-than-life façade and has abundant real estate available for branding, both inside and outside the station.

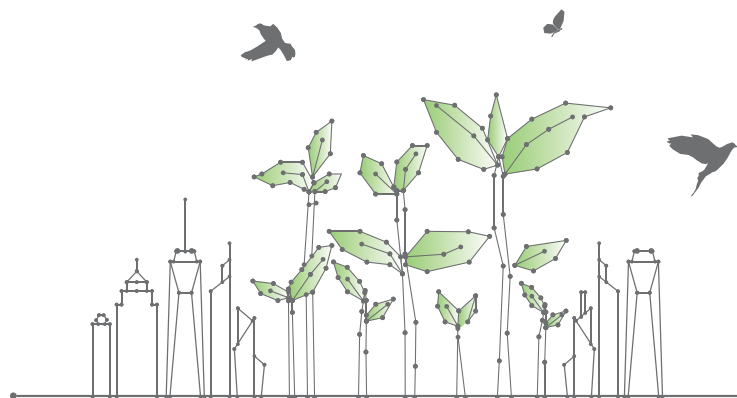


### Alliances and Tie-ups

In order to give something extra to customers, the Bank forged some strategic alliances with an intent to boost the imagery and catalyse the usage of cards. We were able to get special partners on board to engage with our customers and offer lucrative deals. These partnerships were done with marquee brands, across categories including Travel, Lifestyle, Food & Beverage, Health & Wellness and more.

### Beyond Banking

The Bank is committed to running its business in a way that generates sustainable value for its customers, clients, shareholders and employees. The Bank also recognises that since its sphere of activity and influence extends beyond the boundaries of the financial system, it needs to work through various initiatives for social upliftment and environmental conservation. Placed below, are a slew of initiatives, which have spearheaded the Bank’s efforts beyond the banking domain. The Marketing & Communications team has crafted customised messages for each of them to create awareness among all the stakeholders of the Bank.



## 'Ebar Pujo, Sobar Pujo'

IndusInd Bank organised its 4th edition of the 'Ebar Pujo Sobar Pujo' initiative in partnership with 'Rotary Club of Calcutta Magnum' and 'Rotaract Club of Contemporary Kolkatans' & Heritage Global Bengal to commemorate the auspicious festival of Durga Puja. During this event, 30 branches of IndusInd Bank, across 9 cities, initiated a drive of collecting new clothes for children from clients, as well as apartments located in the vicinity of the branches. The branches collected **over 1,500** new clothes that were donated to an orphanage for children. The giveaway ceremony was graced by Mr. Nick Low, British Deputy High Commissioner and his wife who were the Chief Guests, along with other distinguished dignitaries.



## Initiatives on Mother's Day & World Environment Day

On the occasion of Mother's Day, the Bank launched an initiative titled, 'Touch of Imagination' targeting children. The initiative featured creative work on art, craft and essay-writing that were done by over **21,000** children at over **600** branches. All the participants were awarded participation certificates. On the occasion of World Environment Day, workshops, quizzes and art competitions were organised with a focus on re-building the environment. Tie-ups with radio channels with RJ influencer campaigns were done to promote it on air. More than **37,000** children participated in this campaign across **725** branches.

## Commemorating Days of National and International Importance Through Communication



Communicating both internally and externally about the Bank's initiatives under CSR & Sustainability is important for brand building. Over the last one year, the Bank commemorated days of National and International importance by creating short videos and spread the word through its social media assets, and employee-based emailers. This was done for significant days like – 'World Youth Skills Day', 'National Teacher's Day', 'World Heart Day', 'World Cancer Day', 'International Women's Day' and 'World Water Day'. Cumulatively, these videos have generated nearly **10 lakh** views across social media.

## Festival of Hope

On the auspicious occasion of Ganesh Chaturthi, IndusInd Bank organised the 'Festival of Hope' across Mumbai. In collaboration with Family Service Centre, a Mumbai-based NGO, the Bank commemorated the onset of the festive season by presenting new clothes, books and toys to over **100 underprivileged** children.

## Webinars

Webinars were organised on the occasion of International Yoga Day and Father's Day. Digital Workshops were conducted, which emphasised on the need to reduce screen time for children as well as health & nutrition, wellness, art therapy, Origami and t-shirt painting, meditation and mindfulness. These sessions witnessed active participation from our clients.

## Activities to Reinforce Brand Image

The Bank has always extended support to the field of art, music, sports and the environment through various kinds of sponsorships. To begin with, the Bank collaborated with the Sanctuary Nature Foundation to organise their Annual Sanctuary Wildlife and Photography Awards that recognise individuals working for the conservation of wildlife and natural habitats in India. The Bank has also made some rather fine investments in the field of Fine Arts and has been associated with 'Art for Concern' by Secure Giving Foundation, a charitable exhibition-cum-sale event that helps the Bank achieve dual purposes of promoting art, and helping the underprivileged. Other notable associations undertaken by the Bank during the year, include Isha Utsav and Uttung Sanskrutik Pariwar Trust.

## Sports

IndusInd For Sports, a non-banking sports vertical was launched in 2016, with an objective to inspire communities inside and outside the Bank using the unique power of sports.

Through various initiatives across platforms, IndusInd For Sports has ensured continued support to athletes under its program and promoted health and fitness within the organisation.

### Programmes

#### A. Para Champions Programme

In partnership with Go Sports Foundation, 43 para-athletes are supported across 7 disciplines to cover their high-performance training, travel, injury management, rehabilitation, strength training, medical support needs, etc. These para-athletes have won a total of 726 medals – 403 Gold, 189 Silver and 133 Bronze medals since the inception of this programme. In FY2021-22 alone, the athletes won a total of 231 medals – 142 Gold, 55 Silver and 34 Bronze across championships and tournaments.

This was also a year in which the Paralympics were held in Tokyo, Japan. This Para-Olympics season has been a golden year in the history of Indian Sports, where we, as a nation, surpassed the combined medal tally of medals won by India since its debut in 1968.

The Bank's supported para champions program represented 40% of the total Indian contingent, i.e., 21 athletes, who won 42% of the total medals won by India in the Paralympics.

The Indian contingent won a total of 19 medals, out of which 8 medals were won by the Bank's supported athletes. India clinched 5 gold medals in total, out of which 4 gold medals were won by athletes supported by the Bank.

An inspiring anthem '*Phirse Jeet Ka Halla*' was created by the Bank to showcase the grit and determination of these athletes.

***In FY2021-22, 3 Para athletes from our programme were conferred with the Padma Shri Award.***

#### B. Cricket for Blind Programme:

In partnership with the Cricket Association for Blind in India (CABI), the sporting wing of Samarthanam Trust, this programme supports the Indian Blind Cricket Team and 700+ blind cricketers at the state and district level.

The 4th Edition of the IndusInd Bank Nagesh Trophy Tournament, which is equivalent to the Ranji Trophy for able-bodied cricketers, was conducted successfully. Post the tournament, the Indian National Blind Cricket team was finalized. This team will be representing India across all international Blind cricket events.

In Q3 of FY2021-22, the Indian blind cricket team, supported through the program, won a bilateral series held in India against Bangladesh and in Q4FY2021-22, emerged as runners-up in a triangular series held in UAE between India, Pakistan and Bangladesh.

For the first time ever, an Indian blind women's cricket team was created after trials with the participation of over 300 visually impaired women from across the country.

#### C. Girl Power Programme

In association with Inspire Institute of Sports (IIS), 26 girl athletes are supported in Judo with the objective of nurturing and developing each of these young talents through high-quality coaching and tailor-made academic and life skills programmes to help athletes chase their Olympic dream.

These judokas have won 82 medals – 45 Gold, 11 Silver and 26 Bronze since the inception of this programme.



## D. Elite Athlete Programme

In line with the Bank's excellence and inclusive approach for sports, this programme supports 55 athletes from nomadic tribes/backward castes from Satara district in Maharashtra, across 3 disciplines - field hockey, athletics and wrestling. This programme is run in partnership with the Mann Deshi Foundation with an objective to improve the livelihood of rural children by strengthening their leadership skills, motor skills and life skills through the medium of sports.

The athletes have bagged a total of 72 medals - 36 Gold, 17 Silver and 19 Bronze since the inception of this programme.

## E. Hockey for Her Excellence Programme

The programme supports 40 girl athletes in the age-group of 13-16 years, with an objective to groom and facilitate young talent at the **Odisha Naval Tata Hockey High-Performance Academy** in Bhubaneswar, Odisha.

To enhance the training methods and improve the quality of skills and playing techniques of athletes, real video analysis of practice matches has been introduced to rectify and find solutions through Artificial Intelligence (A.I.)

Khelo India Under 21 Women's Hockey league 2021 was conducted in New Delhi, where these girl athletes participated and came third in their pool.

## Employee Engagement

### A. Get Set Run

Get Set Run – Bank's biggest employee engagement initiative has been successfully running since its inception in 2016. Under this initiative, employees are encouraged to take up running with the objective to have a happy and healthy workforce.

In a pandemic-stricken year, IndusInd For Sports has kept the spirit of sportsmanship alive through virtual engagement while abiding by COVID-19 protocols.

With limited visibility of on-ground running events as the country battled with waves of the pandemic, an engaging one-of-a-kind virtual running series, titled '**Cause-a-thon**', was launched in Q1FY2021-22. The objective of this series was to encourage employees to participate in virtual runs on topical days like Earth Day,

Hypertension Day, Doctors Day, Mental Health Day, National Cancer Awareness Day and more. The virtual run enabled participants to run or walk anytime and anywhere by recording their activity data on any GPS-enabled app.

A total of 30 Cause-a-thon runs were conducted, which witnessed a participation of over 3,000 employees covering a cumulative distance of approximately 52,000 km.

### B. Couch to 5K

Couch to 5K was an adrenaline pumping, power-packed campaign for the employees that aimed at running and covering run 5-kms in just 8 weeks. It consisted of a well-structured and informative plan, which was curated by an ACE certified fitness coach.

This informative training campaign covered educative themes on warm-up essentials, consistency, intrinsic motivation, building habits, injury prevention, nutrition, rest and recovery to name a few.

### C. IndusInd Box Cricket League

An inter-department box cricket league was conducted in Delhi NCR and Mumbai in Q3FY2021-22 to promote the spirit of camaraderie and teamwork among the employees. Over 600 employees across 60 teams participated in these matches and ~4000 employees were engaged virtually.



### D. AIPL – IndusInd Prediction League

A fun digital campaign was created around the IPL season in Q3FY2021-22 to educate, excite and engage employees by providing trivia/information on athletes' performance and the teams participating in it. This culminated in a thrilling competition while predicting the course of the game.

## Corporate Social Responsibility

Sustainable Community Development through CSR

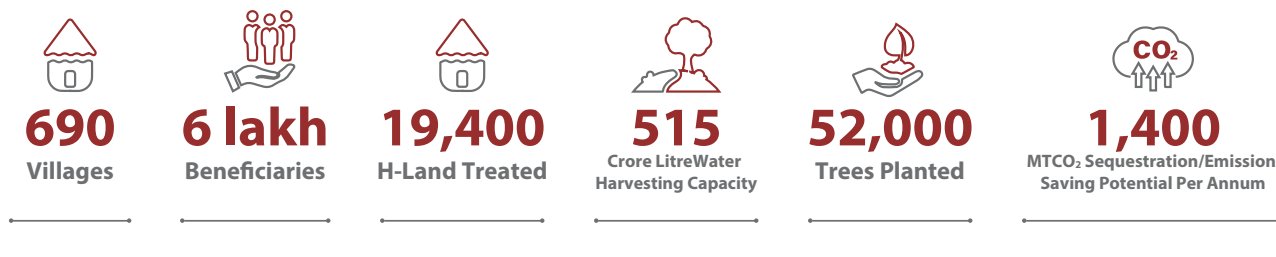
The Bank's CSR programs, guided by the CSR Policy, are implemented with a mission of designing sustainable initiatives that empower and benefit marginalized and weaker sections of society, high-risk and high-stressed communities. The Bank has touched more than 2 million lives through several need-based initiatives across the nation in FY 2021-22.



### ENVIRONMENT

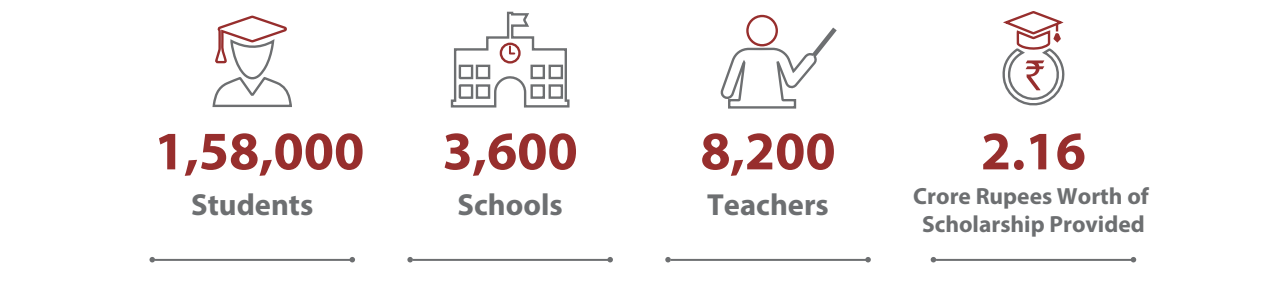
The Bank's core sustainability philosophy of 'Good Ecology is Good Economics' is extended beyond the fence through CSR initiatives on environmental conservation. Projects on Water Stewardship are carried out in rural water-stressed landscapes. Along with water security, these interventions translate into income enhancement, community institution strengthening and climate resilience.

Other activities like restoration of water bodies (lakes and drains), afforestation, and renewal of energy solutions for hospitals were also undertaken.



### EDUCATION

Education interventions catered to developing learning outcomes of school children with improved methods and pedagogy through teacher training. The community is also involved in the children's education program for the child's overall development. Such programs are run mostly in Government Schools or schools that are remotely located. Scholarship support is also provided to academically accomplished, but financially poor students for higher education.



### HEALTHCARE

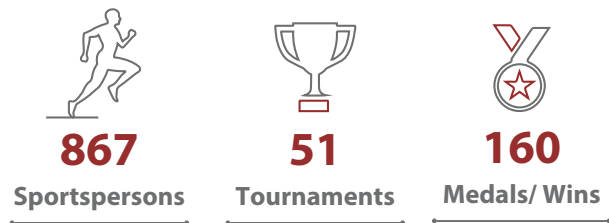
Support for screening, diagnosis, treatment, surgeries and infrastructure support (e.g. equipment) for critical and cost intensive ailments like pediatric and general cancer, pediatric congenital heart diseases and HIV are provided. Tie-ups with institutions working on a large-scale and catering to disadvantaged patients are done. The Bank also supported PwDs with customized Aids and Appliances for better mobility and awareness.



Initiatives catering to high-risk pregnancies, health of adolescent girls and NCDs were initiated.

## SPORTS

The sports programs focus on inclusion (gender, differently-abled and the underprivileged) and sporting excellence. Athletes, who are scouted and supported, compete at national and international sports tournaments to win accolades for the nation.



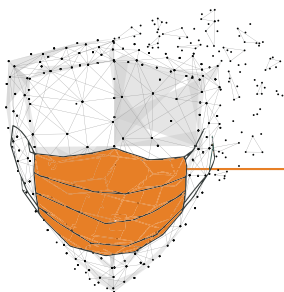
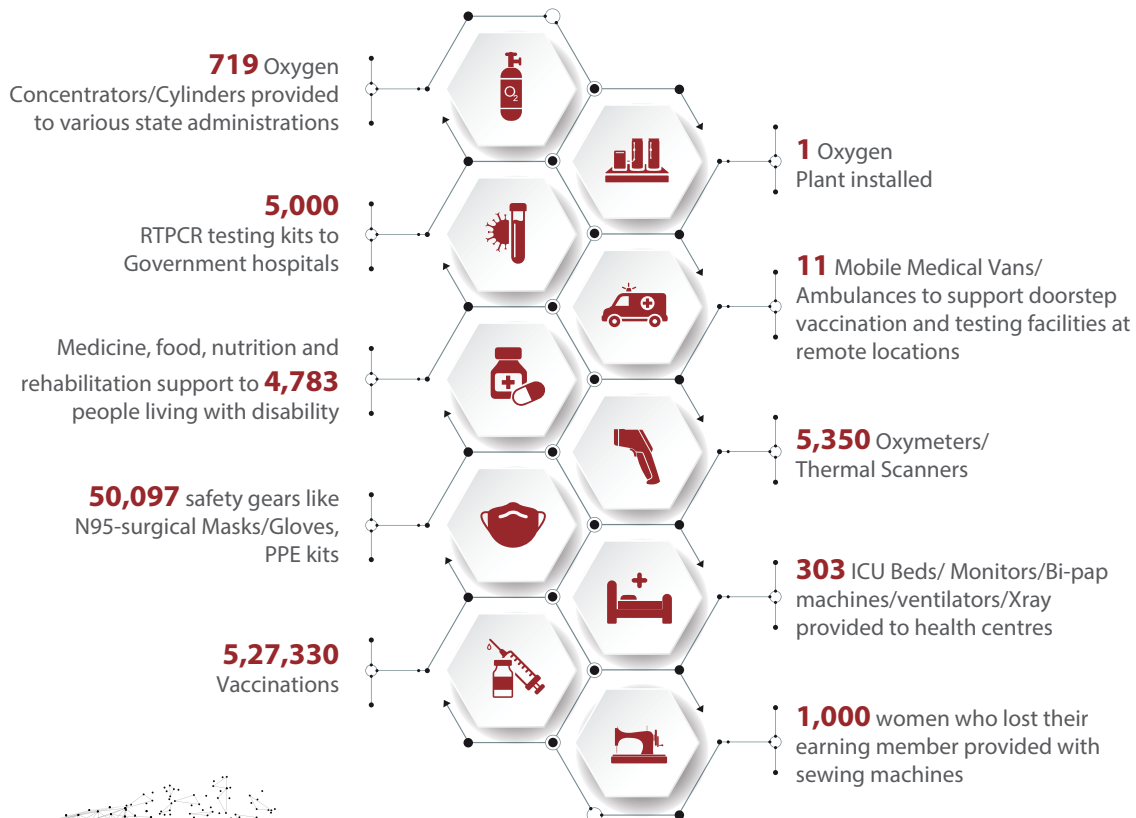
## SKILLING AND LIVELIHOOD

Batches of short-term courses in employable skills were carried out in line with NSDC guidelines for youth in general and for PwDs. Two technology-integrated livestock development programs not only improved the livestock life and productivity, but also the incomes of the farmers enrolled in the program.



## COVID RELIEF

The Bank continued its support for COVID relief which was prioritized towards the support of health infrastructure, especially, Oxygen and Vaccination support, and awareness pertaining to it. The relief strategy was demarcated into short-term (immediate needs) and long-term (building and strengthening medical system) in mapped priority geographies with the most severe in terms of COVID cases.



 **10,00,000**  
Beneficiaries

## Flagship Program

Designed and launched a Holistic Rural Transformation Flagship Program in two Aspirational Districts of NITI Aayog. The holistic community development programs are planned to integrate Community Involvement, Collaborations at District, State and Centre, Convergence of Government Schemes, Technology & Innovation and Data-backed Assessment, etc. It will be implemented over a period of 10 years.

This long-term program is designed to create maximum societal impact in priority geography of the Bank. The primary focus is on economic empowerment of the rural households.

## Employee Engagement

Under Sattvam, the endeavour has been to instill a sense of pride in employees about the Bank by building awareness about the Bank's CSR efforts, and by developing a culture of Employee Volunteering and Employee Giving. In FY2021-22, 19,000 employees were engaged through various activities across the year.

### A. Employee Volunteering

An employee survey was conducted in Q2FY2021-22, to understand how many employees were interested in volunteering their time and skills in a Bank-supported volunteering programme. The response was very encouraging with employees keen to participate in such activities and the survey also captured which causes employees would like to support.

The survey results have been instrumental in shaping key decisions in creating the Employee Volunteering Programme. During the year, work also commenced on a robust and user-friendly employee volunteering portal and mobile app to support the programme.

Employees were also given an opportunity to participate in the Bank's Urban Afforestation CSR Programme, through a tree plantation drive across nine cities. Despite the activities being conducted under COVID restrictions, the drive yielded 678 volunteering hours and over 2,500 saplings were planted.

### B. Employee Giving

To encourage the culture of employee giving, a first-of-its-kind IndusInd Joy of Giving Festival was organised in Q3 in partnership with the NGO Goonj. The Bank facilitated, encouraged and provided logistical support for employees to make material and financial donations for the benefit of underprivileged children. Under weekly themes, employees donated stationery, toys, clothes and footwear for the children. Over 12,000 employees participated in the month-long festival, contributing 225 cartons of materials and over ₹86000 in financial donations. The latter was matched by the Bank.

Moreover, under the Bank's payroll-giving programme, 10,000 employees donated to six non-profits.



**North 1 Operations Team**



**Two-Wheeler Tele-Collection Team, Hyderabad**

# MEMBERS OF THE MANAGEMENT TEAM SHARING THE JOY OF GIVING



**Mr. Sumant Kathpalia**  
Managing Director & CEO



**Mr. Arun Khurana**  
Deputy CEO



**Mr. Gobind Jain**, Chief Financial Officer  
**Mr. SV Zargaonkar**, Chief Operating Officer  
**Ms. Roopa Satish**, Head - Portfolio Management & CSR



**Mr. Sanjeev Anand**  
Head - Corporate, Commercial,  
Rural & Inclusive Banking



**Mr. Soumitra Sen**  
Head - Consumer  
Banking & Marketing



**Mr. Zubin Mody**  
Chief Human Resources Officer



**Mr. Anil M. Rao**  
Head - Consumer Operations  
& Solution Delivery



**Mr. Rana Vikram Anand**  
Head - Pan Bank Liability Group,  
Customer Service & Synergy



**Mr. Samir Dewan**  
Head - Affluent Banking &  
International Business



**Mr. Siddharth Banerjee**  
Head - Global Markets & FIG



**Mr. Anish Behl**  
Head - Wealth & Para Banking



**Ms. Charu Sachdeva Mathur**  
Head - Digital Banking &  
Strategy (Existing Business)

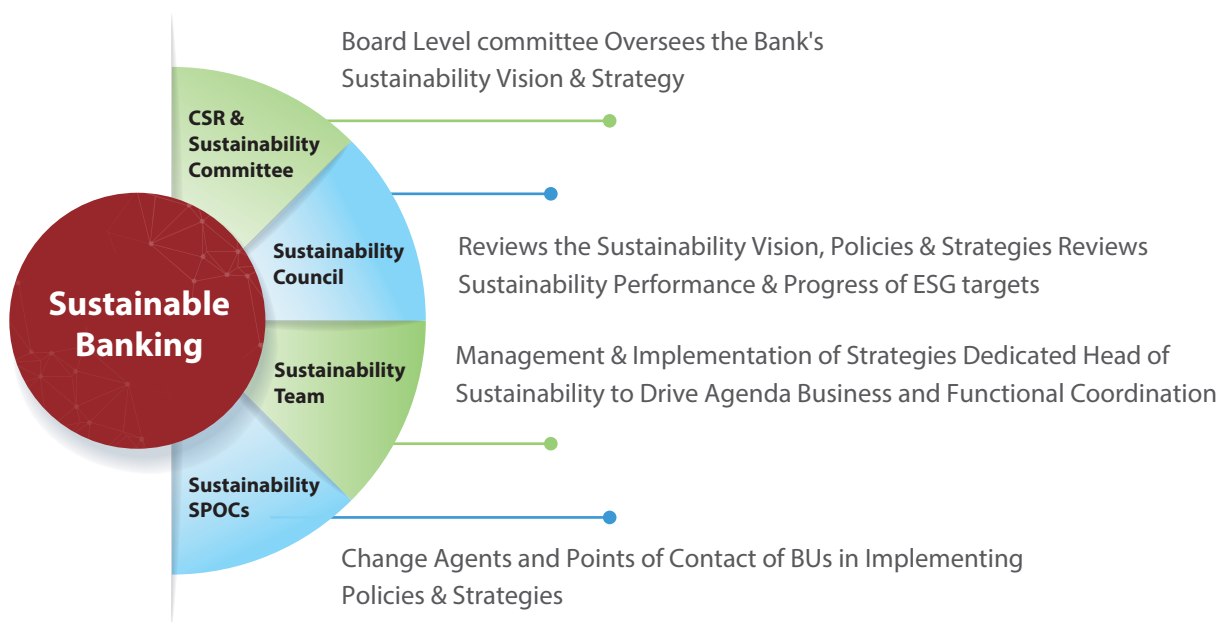


## Sustainability

### Sustainable Banking

**Strategy:** The Bank has adopted a comprehensive approach to improving its triple bottom line (i.e., People, Planet and Profit) performance by integrating sustainability considerations in its business practices, decision-making, operations and products. The Bank's current PC-5 strategy has embedded sustainability into the core framework. In line with the overall strategy, a centralized Sustainability unit works closely with various stakeholders in developing the ESG strategy for each department. This rolls up to form the overall Bank's ESG strategy.

**Governance Mechanism:** Implementation of the ESG strategy of the Bank is driven by various internal stakeholders. At the apex lies the CSR and Sustainability Committee of the Board, followed by the Sustainability Council, the Sustainability Team, and Sustainability single point of contact at the BUs.



#### The CSR & Sustainability Committee of Board

- Agrees, reviews and evaluates the sustainability strategy of the Bank
- Provides Industry perspective to the sustainability agenda of the Bank Sustainability Council
- Approves the sustainability strategy, goals and performance
- Reviews alignment of sustainability policies with the business units
- Review compliance and reporting

The Sustainable Banking Unit is focussed on embedding ESG in three specialised areas, viz. Risk, Business and Operations:

#### 1. ESG in Risk:

The Bank understands its responsibility toward enabling positive environmental and social impact on its investment decisions.

#### A. ESG risk assessment:

To ascertain the Physical and Transitional risks arising out of the ESG variables, all high-risk projects/ entities are assessed by the business units and are reviewed/recommended by the unit for onward approval by the ESMS committee members, prior to final credit approvals. A review of ESG-risk is also performed, along with the credit risk before the credit approval. The sustainability unit provides suitable recommendations to the ESMS committee and clients for improving the ESG Risk profile.

#### B. Environment & Social Management System (ESMS):

Bank has adopted the ESMS Policy, which incorporates Responsible Banking standards to mitigate the Environmental & Social (E&S) risks arising out of its lending activities. The primary objective of ESMS policy is to mainstream E&S considerations into business activities and safeguard Bank's portfolio from risks arising out of E&S linked variables.

General E&S standards for Bank's portfolio are as follows:

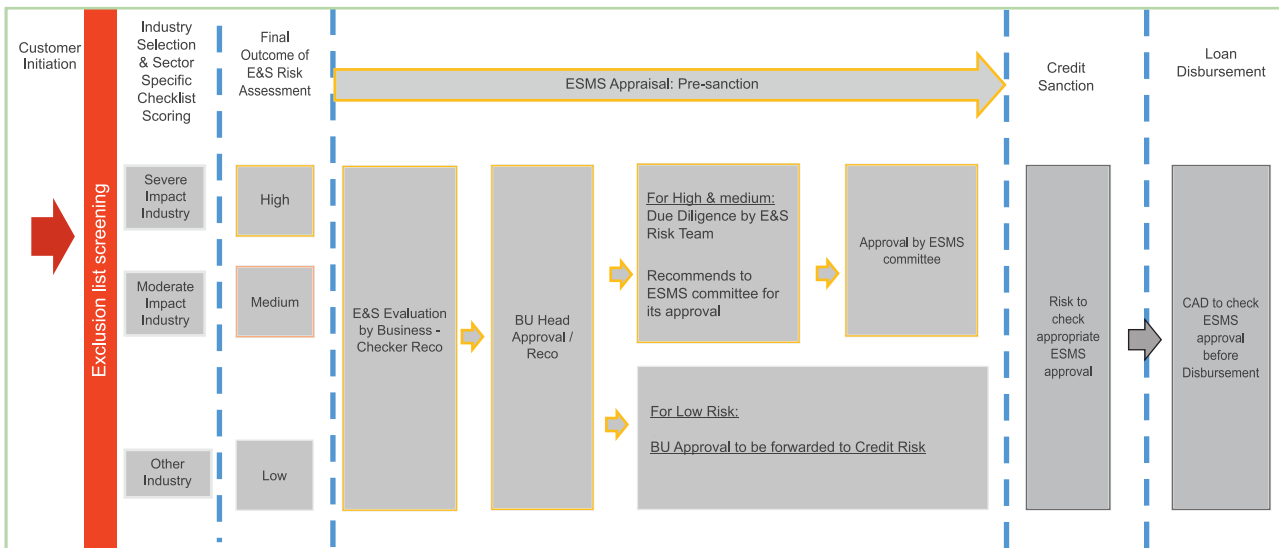
- The Bank expects as a minimum requirement that its clients meet all pertinent E&S laws and regulations
- Clients are required to obtain all applicable licenses and permits for all of their business operations
- Also, clients are expected to consider implementing best in class practices for managing E&S related impact of their business activities

As per the ESMS Policy of the Bank, it is mandatory for every proposal to clear the exclusion list to ensure that Bank does not provide any facility for projects/ activities that are likely to have unacceptable negative impacts on the environment and/or social conditions. The exclusion criteria are mentioned below:

- Production or trade in any product or activity deemed illegal
- Production or trade in substances which are internationally banned, including but not limited to wildlife products, products regulated under CITES, and illegal narcotics, among others
- Gambling, casinos and equivalent enterprises
- Production or trade in products involving forced labour or harmful child labour

- Businesses owning factories or workplaces that have inadequate safety mechanism when dealing with known industrial carcinogens
- Businesses with a substantial stake in the porn industry
- Production or trade in explosives and/or fireworks primarily meant for non-industrial use
- Production or trade in tobacco or any of its derivate products, including but not limited to cigarettes, gutka, etc. (Except companies trying to diversify their business with more than 50% revenue from non-tobacco business streams)

Bank has identified High ESG Risk industries with a higher inherent negative environmental and/or social impact. All such proposals undergo a more extensive evaluation by the Sustainable Banking Unit and get escalated to the Environmental and Social Risk Committee of the Bank for approval of ESG Risk. The Bank's ESMS Committee comprises Senior representatives from the Business, Risk and Sustainability Team. This committee also periodically evaluates the Portfolio ESG Risk.



## Integration of ESMS Process with Credit Appraisal System

During the year, the Bank has successfully implemented the integration of the ESMS Process with Credit Appraisal System, which ensures ESG assessment and compliance are mandatory before credit sanction and been made pre-sanction requisite. Every customer is onboarded only after the Exclusion List Process is completed and compliant. These clients are further scrutinized by way of custom-made, segment specific checklists to analyse their existing company policy, framework, and process in mitigating the harmful effects. The Sustainable Banking team, if required, also engage with an external rating agency for enhanced ESG due diligence to specially assess high ESG risk cases.

**2. ESG in business:**

The Bank seeks opportunities for expanding its ESG-linked business across the various Business Units (Retail & Corporate) through deal origination, structuring as well as new product launches.

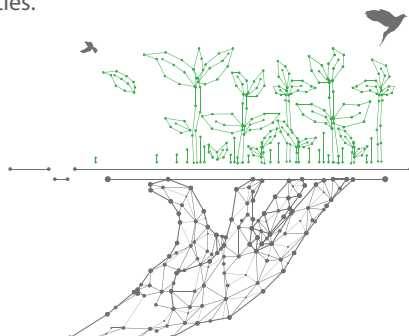
**A. Highlights of ESG Liability Products launched during the year:**

- **Green Fixed Deposits:** During the year, the Bank launched Green Fixed Deposits across retail and corporate clients. The scheme was successful and the proceeds of FDs, mobilised, were allocated towards financing of Sustainable Development Goals 'SDG' linked assets. The client were issued a Green Certificate on placement of deposits. Further, an external consultant will review the end-use and issue an Assurance Certificate.
- **NR Homecoming:** Embedded a social objective of poverty alleviation by linking the Bank's contribution to the NGO Akshay Patra to the deposits mobilized under the NR Homecoming scheme.



- **IndusDiva:** Spruced up the DIVA product to relaunch it on Womens' Day - INDUS DIVA, a savings account, specially designed with the best savings solutions and privileges for Women.

**B. To increase the Corporate Banks' exposure to ESG-positive sectors such as Clean Energy, Clean Water, Sanitation & Hygiene, Healthcare, Education, MSMEs, Livelihood, Agribusiness and Social Infrastructure, the Sustainability unit developed sector reports and originated various business opportunities.**



**C. Sector development:**

WaSH (Water, Sanitation and Hygiene) sector is poised to grow given the GOI's increased focus on Water Security and Hygiene for the country through various schemes such as Swachh Bharat, Amrut 2.0, Jal Jeevan Mission. The sustained efforts pivoted IndusInd Bank into leadership and pioneering role in this sector:

- Regular engagement with investors, regulators (Government & RBI), large corporates & SMEs.
- Appointed as the Primary Investment Advisor and Banking Partner to WaSH Innovation Hub, a platform showcasing innovators in WaSH Sector.
- Appointed as a member of an expert committee by The Ministry of Housing and Urban Affairs in a Committee formed for shortlisting and selection of innovators as AMRUT – 2.0.

**D. Partnerships:**

The Bank believes that partnerships are key to assisting Bank in achieving our ESG goals. Partnerships were inked with several Development Finance Institutions, Multilateral Agencies, Foundations and External Consultants to strengthen the Bank's ability to tailor products and solutions to clients, mitigate risks, provide technical expertise and help us adopt best ESG practices, which are evolving rapidly today.

**3. ESG in Operations**

To expand Bank's ESG footprint in the Bank's operations through initiatives such as:

**A. Greening the Bank**

- **Green branch initiative:** Currently, there are three LEED Certified branches/offices
- **PIONEER branches:** On-site works related to Gold LEED Certification completed and data is being monitored on a Pilot basis. Once successful, all seven branches will undergo LEED certification
- **GHG emissions:** A detailed system is put in place for calculation of carbon emissions intensity of the Bank i.e. for every Rupee made how much carbon is emitted. Bank has also taken an aggressive target of reducing its carbon intensity by 50% from the baseline.
- **Sustainable procurement practices:** Vendor for technology services, equipment & manpower, assessed and evaluated on environment-linked criteria such as Greenhouse Gas (GHG) Emissions and Energy Usage, Water Management, Waste Management and ESG compliance. Facilitated through:

- Formalized Sustainable Procurement Policy and Supplier Code of Conduct.
- Publicly Committed Targets on Sustainable Procurement (i.e. 80% of vendors by value with ESG policies by FY2022-23).
- Supplier Engagement by IBL, Assessments and Audits through the third parties and seeking ESG-linked declarations.
- Virtual Meetings: Promoting the concept of online meetings, which has resulted in a decrease in business travel emissions.

## B. Fostering a diverse and Inclusive Workforce:

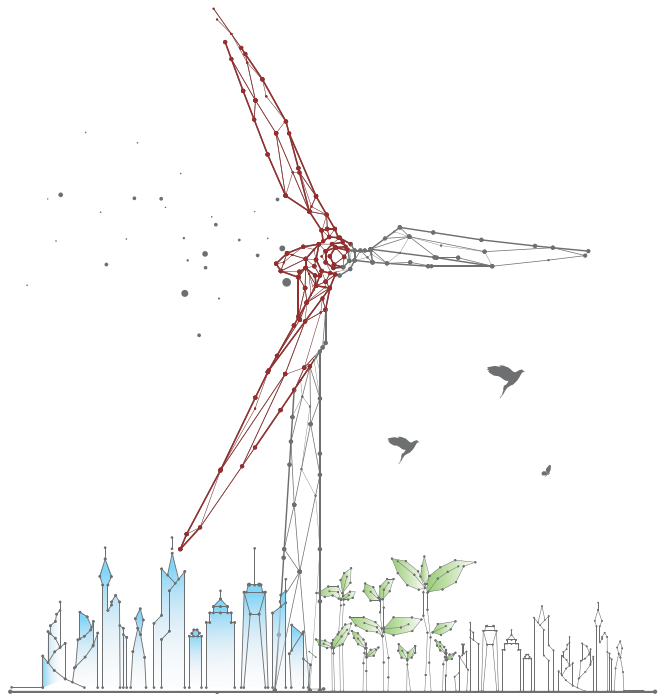
To build a Diverse and inclusive workforce, a detailed benchmarking exercise was presented to the CSR and Sustainability Committee of the Board. Achievements -

- Women in the workforce increased in FY2021-22 to 18.64% and target 22% by FY2022-23.
- 2 Women Board Directors, 1.2% in top management.
- 25 Specially-abled permanent employees and additional 10 neurologically diverse employees to be appointed in BUs to enhance diversity and inclusion in the workforce.

## C. Enhancing the Bank's ESG Profile

Bank participates in sustainability related disclosures with stakeholders such as Global ESG Rating Agencies (DJSI, MSCI, CDP and others), Investors & Regulators (SEBI, RBI and others) and reporting to various stakeholders. Update on rating for the FY2021-22 is as below:

- 2nd Year in a row, IndusInd Bank has been selected as a "DJSI Year Book member" In order to be listed in the Yearbook. IndusInd Bank is the only Indian bank figuring in the Yearbook.
- Refinitiv ratings: Improved Bank's Ranking to 57th out of 914 global companies and was categorised as a Top Performer. Bank has received the highest Rating/score among Indian Banks.



- Asia Money award: The Bank has also been awarded as the best bank in the ESG category award for FY2021-22 by Asia Money.

The Bank aims at interlinking its strategic focus areas with its sustainability commitments, to emerge as a responsible organisation. The Bank has been publishing the Integrated Report for five years, which aims to communicate how the Bank's Strategy, Governance, Performance and Prospects create value over time. The value creation story of the Bank articulated in the Integrated Report has been prepared on a voluntary basis in adherence to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/10 dated February 6, 2017. As a green initiative, the Bank has hosted the latest 'Integrated Report' on its website at: <https://www.indusind.com/in/en/sustainability.html>



## Internal Control Systems and Their Adequacy

### Operational Controls

The Bank has sharpened internal controls and compliance through the following:

- Standard Operating Procedures have been defined for processes at branches to ensure consistency of delivery with the expanding branch network;
- Branch Monitoring Unit is entrusted with regular monitoring of branch operations;
- The Process Adherence and Quality function has been operationalised for attaining uniformity in processes followed by branches, to minimise operational risk; and
- Expenses Management Software has been deployed at all branches for facilitating cost control.

### Internal Audit

The Bank has a robust, distinct and dedicated Internal audit function performing an independent and objective evaluation of the adequacy and effectiveness of internal controls, information security controls, risk management and governance systems and processes on an ongoing basis to provide assurance that the policies, regulations, and internal standards defined for management of the various risks in the Bank are operating effectively. The Internal Audit Group is manned by appropriately skilled, experienced, and qualified personnel.

In congruence with the Reserve Bank of India's Guidelines on Risk-based Internal Audit (RBIA), the Bank has adopted a robust Internal Audit Policy and the Internal Audit function undertakes a comprehensive Risk-based Audit of operating units.

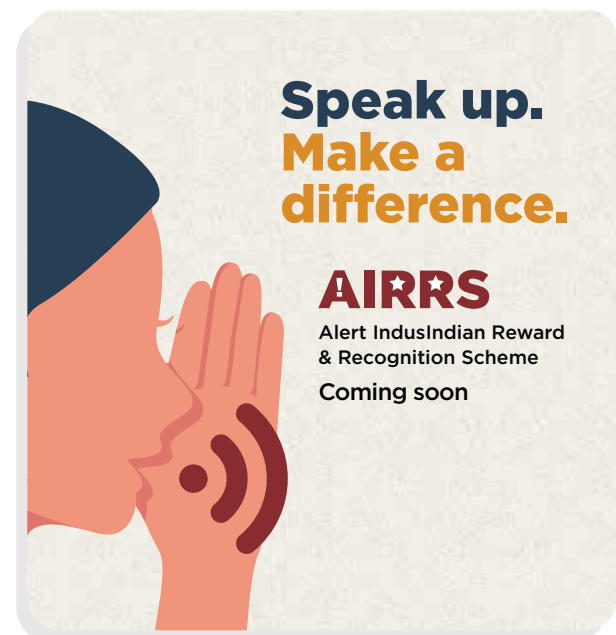
An Audit Plan is drawn up on the basis of risk-profiling of auditee units and an audit of operating units is undertaken at a frequency synchronised to the risk profile of each unit in line with the guidelines relating to Risk-Based Internal Audit. The Audit function also proactively recommends improvements in operational processes and service quality, wherever deemed fit.

In order to strengthen the Internal Audit function and to achieve incessant real-time supervision and control, critical units of the Bank are subjected to independent Concurrent Audits by reputed audit firms.

The Head - Internal Audit functionally reports to the Audit Committee of the Board (ACB), ensuring his independence, and for administrative purposes, reports to the Managing Director & CEO. The ACB reviews the efficacy of the Internal Audit Department, the effectiveness of controls laid down by the Bank, and compliance with internal and regulatory guidelines, thus ensuring alignment with the global best practices on corporate governance.

### Compliance

Compliance Risk is defined by the Basel Committee as "the risk of legal or regulatory sanctions, financial loss, or loss to the reputation that a bank may suffer as a result of its failure to comply with all applicable laws, regulations, codes of conduct and standards of good practice". It includes the conduct of banking and financial business (including conflicts of interest), privacy and data protection, and in particular, provisions on the prevention of money laundering and terrorist financing.



Compliance is an integral part of the culture of IndusInd Bank. The Bank accords the highest priority to compliance with laws, regulations and internal rules for all of its businesses and operations. It is the responsibility of every staff member to perform their functions within the framework of the statutory and regulatory regime.

The culture of compliance starts from the top. The Bank's Board of Directors is responsible for overseeing the management of the Bank's compliance risk. The Bank has formulated a Compliance Policy, enumerating the Compliance Philosophy of the Bank and establishing an independent compliance function in the Bank.

A strong compliance culture is ensured through detailed policies and guidelines, strong procedures, a mechanism of regular reviews, monitoring and testing, regular messages from the Top Management on the importance of compliance and zero-tolerance towards non-compliance, and compliance awareness programmes.

The Compliance function plays a vital role in ensuring that the overall business of the Bank is conducted within the ambit of rules, regulations, laws and internal guidelines.

The function assists the Board and Top Management in efficiently managing the compliance risk. The Compliance function works as a nodal link between the Bank and the Regulatory Authorities, i.e., RBI, SEBI, DFS, UIDAI, IBA, IRDA, PFRDA, etc., and provides guidance to all verticals in the Bank on applicable regulatory framework, i.e., regulatory guidelines, statutes and advisory issued by the Regulatory Authorities.

The Bank has adopted three lines of defence approach with (a) operations and business controls as the first line of defence; (b) internal governance including Compliance Risk Management as the second line; and (c) Internal Audit being the third line of defence to ensure a strong compliance culture at all levels.

## **Vigilance Function**

The Vigilance Department has been functional in the Bank since October 2008, and its objective is to enhance the level of managerial and operational efficiency and effectiveness. The aim is to prevent, detect and analyse corruption/wrongdoing/misdemeanours on the part of the employees and follow it up with deterrent/preventive action to ensure the highest standards of integrity, governance and ethical practices.

The Whistle Blower Policy was adopted by the Bank in 2009, so as to provide a channel to various stakeholders, viz., employees, customers, suppliers, shareholders, etc., to bring to the notice of the Bank any issue involving compromise/violation of ethical norms, legal or regulatory provisions, etc., without any fear of reprisal, retaliation, discrimination or harassment of any kind.

The Bank's Vigilance Manual / Whistle Blower Policy and practices are in complete synchrony with all statutory and regulatory guidelines on Vigil Mechanism to ensure a compliant, fraud-free and ethical work environment.

## **Submission of Financial Information to Information Utilities**

In accordance with the regulations under the Insolvency and Bankruptcy Code (IBC), 2016, and of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017, which has come into force with effect from April 1, 2017, financial creditors are required to submit information to Information Utilities (IU). The Insolvency and Bankruptcy Board of India (IBBI) has registered National E-Governance Services Limited (NeSL) as the first IU under the IBBI (IUs) Regulations, 2017 on September 25, 2017.

As per the directives of the Reserve Bank of India, all financial creditors regulated by RBI were advised to adhere to the relevant provisions and immediately put in place appropriate systems and procedures to ensure compliance with the provisions of the Code and Regulations.

In accordance with the same, we are happy to share that the Bank has executed the necessary agreement with NeSL and submitted the required data to NeSL as per their guidelines.

## **Customer Service**

The FY2021-22 client experience strategy has been the extension of previous years' customer-centric approach that focuses on customers and their needs through the principles of 'Seamless, Easy, Fast and Transparent'. The strategy continues to be the core of the CEX aspiration for FY2021-22 as well, thereby facilitating the delivery of sustained and enhanced customer experience.

The Bank is committed to meeting customer expectations by engaging with them in a result-oriented and transparent manner. The customer experience strategy emphasises an all-encompassing look at customer satisfaction, which is executed and delivered through continuous client interaction by effectively using both digital and non-digital channels. More than 70% of client requests in March 2022 were raised through digital channels and overall 95% of the requests got resolved within one day.

With the objective of assessing customer requirements and enhancing the existing client experience and service delivery standards at every touch point, the Bank regularly conducts surveys that are customized based on the type of interaction and mode of service used by the customer. More than 75% of the surveyed clients gave us a top rating on our surveys across client journeys for the quarter ending March 2022.

The Bank has also placed renewed thrust on increasing employee engagement, along the lines of 'Customer First', and has undertaken various initiatives to create a customer-centric mindset. The continuous focus on both knowledge enhancement and skill development has been the key objectives of the widespread and systematic training programs. The extensive training schedules, covering both executive and managerial level, has ensured knowledge access is available in the right place at the right time and improves efficiency by reducing the need to re-discover knowledge. This, in turn, enables the team to deliver consistently, thereby improving customer service.

### **Grievance Redressal Mechanism**

The Bank follows the Board-approved "Grievance Redressal Policy", which lays down a defined escalation process for all customer complaints received at branches and Corporate Office, within the overall framework of RBI guidelines.

The Bank has also appointed an Internal Ombudsman, and complaints which are rejected and/or partial relief is being provided to the Complainant, are referred to him for an independent review.

A Quarterly Report related to complaints received and redressed is placed before the Board of Directors. Based on the recurrence of complaints in specific areas, causative factors are identified, and remedial measures are initiated.

Customers can contact their respective Branch Manager or call the Bank's Contact Centre on the toll-free number or send an email to the dedicated email IDs or access the Bank's website: [www.indusind.com](http://www.indusind.com) to lodge their grievances in a simplified way and get their complaints redressed without delay.

Details of the Nodal Officer / Regional Managers have been furnished. These details are also displayed at the Bank's branches. Details of the Integrated Ombudsman Scheme, 2021 of the Reserve Bank of India, are also displayed at branches and hosted on the Bank's website.

### **Shareholder Satisfaction**

At IndusInd Bank, we recognize the importance of regular and transparent communication with our shareholders. Shareholders shall continue to receive best-of-class services and be promptly informed of the developments in the Bank.

Contact details of shareholders such as e-mail IDs, mobile numbers and telephone numbers are obtained, so as to communicate to them about developments in the Bank. This direct communication is in addition to the regular dissemination of information through usual channels such as the Stock Exchanges, Press, Bank's website, RTA's website, etc.

The practice of sending SMS/e-mail messages to shareholders continues, informing about Board meetings for Quarterly/Annual Financial Results, and forwarding snapshots of the Results.

The Bank has been at the forefront of "Green Initiatives" and aspires continually to graduate to paperless disclosures and compliances.

With the implementation of the Companies Act, 2013, companies are permitted to send Annual Reports and other communications through electronic mode to those shareholders, who have registered their email addresses with the Bank or made available by the Depository.

Shareholders have been requested to furnish their e-mail IDs at [investor@indusind.com](mailto:investor@indusind.com) or by sending a request in writing at the Secretarial & Investor Services Office to help accelerate the migration to paperless communication.

The full text of the Annual Report is also made available in an easily navigable format on the website: [www.indusind.com](http://www.indusind.com) under the link 'Investors/Reports and Presentation/Annual Reports'.

Shareholders are also informed about the process for claiming the dividend amounts lying unclaimed with the Bank.

As regards the transmission of securities, in the case of securities held in physical mode (in a single name, without Nomination), SEBI vide Circular No. SEBI/HO/MIRSD /\_RTAMB /P/ CIR/ 2022/65 dated May 18, 2022, prescribed a threshold limit of up to ₹5,00,000 (Rupees five lakhs only) in case of securities held in physical mode, i.e., the market value of securities per folio, as on the date of the application for transmission, for following simplified documentation.

SEBI has, however, empowered Issuer Companies to enhance the value of such securities, at their discretion.

Considering the difficulties faced by legal heirs of deceased shareholder(s), in obtaining of Succession Certificate/ Probate/Letters of Administration, the Board of Directors of the Bank has, for the convenience of shareholders, delegated the authority to the Share Transfer Committee for approving transmission of securities held in physical mode of the market value of securities of up to ₹10,00,000 (Rupees ten lakhs only) subject to compliance with the simplified documentation procedure prescribed by SEBI.

Shareholders are requested to note that pursuant to provisions of Section 124 of the Companies Act, 2013, the amounts of Dividend remaining unpaid or unclaimed for a period of 7 years, from the date of their transfer to the Bank's Unpaid Dividend Accounts, are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Further, the Ministry of Corporate Affairs has made effective the provisions of Section 124 (6) of the Companies Act 2013, which requires that all shares in respect of which Dividend has not been paid or claimed for seven consecutive years or more be transferred to the IEPF Authority.

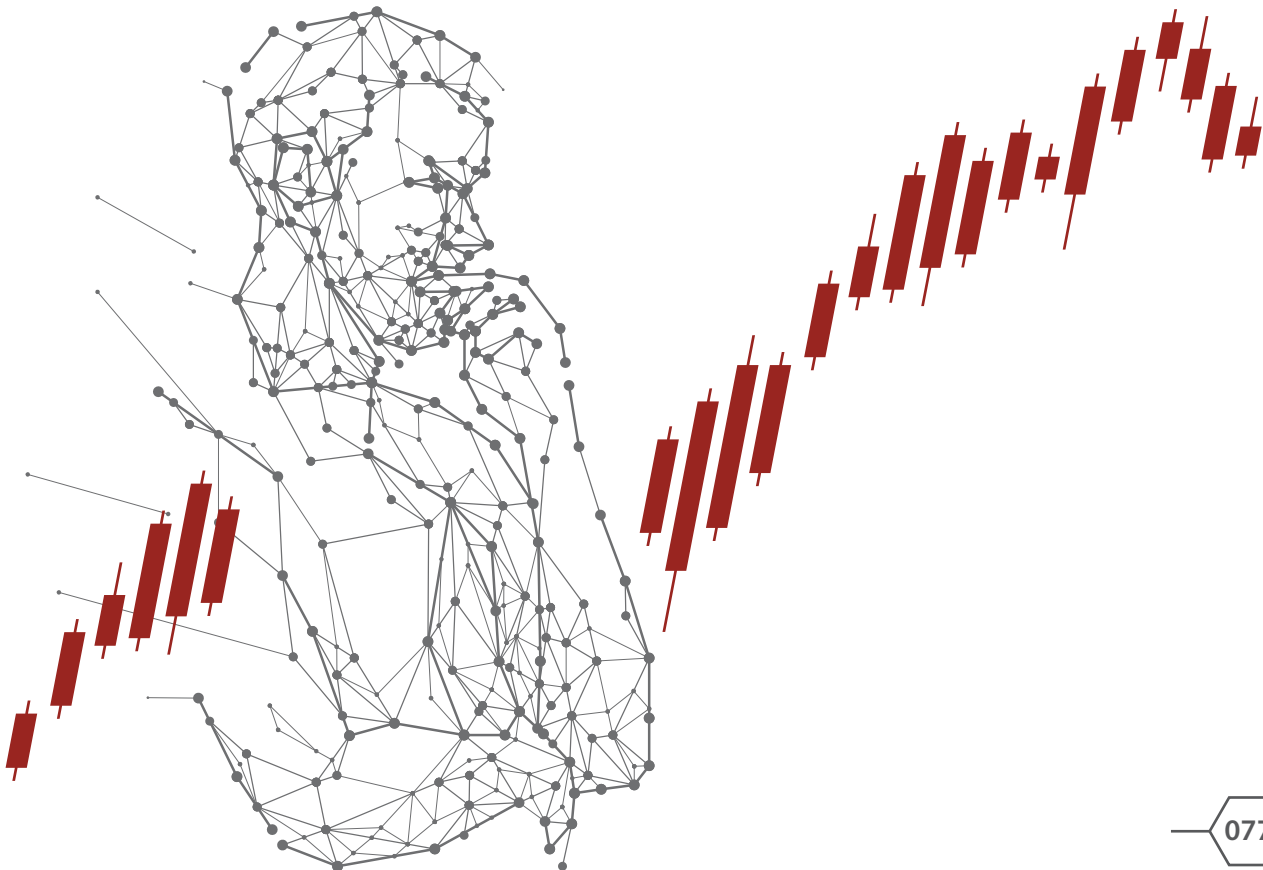
The Bank has sent intimation to shareholders on May 24, 2022, in respect of the shares on which Dividend for FY2014-15 had remained Unpaid or Unclaimed for seven consecutive years or more, requesting them to claim such dividend on or before August 23, 2022, so as to avoid the corresponding shares from being transferred to the IEPF Authority.

Notice in this regard was also published in Financial Express (all editions) and Loksatta (Pune Region) on May 25, 2022.

The detailed procedure for claiming the shares/Dividend amounts which have been transferred to IEPF Authority is available on the website of the Bank at: [www.indusind.com](http://www.indusind.com) and can also be accessed at: <http://www.iepf.gov.in/IEPFA/refund.html>

Shareholders are requested to contact Link Intime India Pvt. Ltd., Registrar & Share Transfer Agent of the Bank (Contact details and Office Address given in the Notice)/Secretarial and Investor Services Department of the Bank, for claiming Unclaimed Dividends standing in their name.

The information pertaining to Unpaid or Unclaimed Dividends, the details of such shareholders and the shares due for transfer to the IEPF Authority is also available on the Bank's website at: [www.indusind.com](http://www.indusind.com)



## DIRECTORS' REPORT

The Board of Directors of the Bank have pleasure in presenting the Twenty-eighth Annual Report covering business and operations of the Bank, together with the Audited Financial Statements for the year ended March 31, 2022.

The financial performance for the year ended March 31, 2022 is summarized as under:

(₹ in crores)

Particulars	As on March 31, 2022	As on March 31, 2021
Deposits	2,93,681.35	2,56,204.96
Advances	2,39,051.53	2,12,595.41
Operating Profit (before Provisions and Contingencies)	12,838.60	11,726.67
Net Profit	4,611.12	2,836.39

The financial year 2021-22 witnessed volatility with economic activity impacted by COVID second and third wave. The economic impact, however, has not been as severe due to effective policy responses by the Regulator and the Government along with vaccination program. The activity levels are bouncing back to pre COVID levels across various segments.

The Bank demonstrated traction in operating performance metrics, like disbursements, resource mobilization through deposits, Basel III compliant Tier II capital, growth in operating profit, and better asset quality with receding COVID impact.

Our deposits grew by 14.63% while loan growth accelerated to 12.44% for the year. Balance sheet footage crossed ₹ 4 trillion mark as of March 31, 2022.

The Bank maintained healthy profitability with improvement in operating profit before provisions and contingencies by 9.48% (i.e., ₹ 12,838.60 crores from ₹ 11,726.67 crores in previous year). Net Interest Margin of the Bank stood at 4.11%. Further, total Provisions and Contingencies decreased by 7.46% from ₹ 8,890.28 crores to ₹ 8,227.48 crores. As a result, the net profit increased to ₹ 4,611.12 crores, as against ₹ 2,836.39 crores in the previous year.

### Appropriations

The Directors recommend appropriation of Profit as under:

(₹ in crores)

<b>Operating Profit before Provisions and Contingencies</b>	<b>12,838.60</b>
Less: Provisions and Contingencies inclusive of Income Tax	8,227.48
<b>Net Profit</b>	<b>4,611.12</b>
Profit Brought Forward	15,928.61
Amount available for Appropriation	20,539.73
Transfer to Statutory Reserve	1,152.78
Transfer to Capital Reserve	76.81
Dividend Paid	386.99
<b>Total Appropriations</b>	<b>1,616.58</b>
Balance carried over to Balance Sheet	18,923.15

### Dividend

The Earning Per Share (EPS) of the Bank during the year showed an improvement to ₹ 59.57 compared to ₹ 38.75 in the previous year.

The Board of Directors, in their meeting held on April 29, 2022, have recommended dividend of ₹ 8.50 per equity share of ₹ 10 each (85% of Face Value) for the year ended March 31, 2022 (Dividend for the year 2020-21 was ₹ 5.00 per equity share of ₹ 10 each). This proposal is subject to the approval of the shareholders at the ensuing 28<sup>th</sup> Annual General Meeting.

Dividend declared in the current year is in line with the Dividend Distribution Policy of the Bank. The Dividend Distribution Policy of the Bank can be accessed from Bank's website at:

<https://www.indusind.com/content/dam/indusind-corporate/investor-resource/PoliciesoftheBank/IndusInd-Bank-Limited-Dividend-Distribution-Policy.pdf>

## **Financial performance and state of the affairs of the Bank**

The year under review was the second year of the new Triennial Planning Cycle of the Bank, (Planning Cycle 5, for Financial Years 2020-23) with the theme "Digitize to Differentiate, Diversify and Create Domain Expertise Underscored by Sustainability (4D+S)". In view of the pandemic, the focus of the Bank during the year under review was in building resilience, fortifying the balance sheet, improving the loan book profile alongwith credit quality, granularising the deposit franchise and build enriched digital value proposition stacks. While Deposits grew by 14.63% year-on-year (with CASA improving by 17.30%), Advances grew by 12.44% over the previous year, and the Bank continued to be liquid.

Total Income of the Bank for the year under review grew by 11.51% to ₹ 22,397.89 crores from ₹ 20,086.50 crores during the previous year. Net Interest Income increased by 10.89% to ₹ 15,000.84 crores from ₹ 13,527.89 crores during the previous year.

In view of the recovery in economic activities, the Non-Interest Income increased by 12.78% to ₹ 7,397.05 crores from ₹ 6,558.61 crores a year ago. Core Fee Income such as, commission, exchange, loan processing and account management fees, fees on Investment Banking and distribution of third-party products, and earnings from foreign exchange business increased by 25.73% to ₹ 5,883.33 crores from ₹ 4,679.22 crores during the previous year.

Abundant liquidity available in the system kept the interest rates in a narrow range. While Yield on Advances fell to 11.56% as compared to 11.84% in the previous year, the Cost of Deposits registered a decline to 4.76% from 5.38% a year ago.

The Bank expanded its branch network and has 2,265 branches / banking outlets, as against 2,015 branches / banking outlets at the beginning of the year. The extended network of the Bank included 2,767 ATMs, 2,795 branches of Bharat Financial Inclusion Ltd. ("BFIL"), and 816 outlets of IndusInd Marketing and Financial Services Private Limited, an associate entity. Revenue per employee stood at ₹ 66.70 lakhs.

The Net Non-Performing Assets of the Bank improved to 0.64% as on March 31, 2022 as compared to 0.69% a year ago.

During the year business performance of the Bank improved due to which, Return on Assets for the year stood at 1.28% as against 0.90% in the previous year.

Some of the significant events during the year are listed below:

- The Bank has reported highest ever profit since inception. Also Balance Sheet size surpassed ₹ 4 trillion mark as of March 31, 2022.
- Assets disbursements gradually inched back to pre-COVID levels across all products / segments of the Bank.
- The Bank has raised unsecured, redeemable, subordinated Tier 2 Basel III compliant non-convertible taxable Bonds through private placement basis at par aggregating to total size of ₹ 2,800.00 crores on October 29, 2021 with a tenor of 10 years at interest rate of 8.11% p.a. which will augment Capital Funds of the Bank as well as enhance long-term resources of the Bank.
- The Bank redeemed unsecured, redeemable, subordinated Tier 1 Basel III compliant non-convertible taxable Bonds by exercising the call option on March 22, 2022 at ₹1,000.00 crores at its Fifth anniversary (First call option date).
- The Bank focused on digitization by launching "IndusEasyCredit", a comprehensive digital lending platform enabling customers to meet their financial requirements from the comfort of their homes. With this, both existing as well as non-IndusInd Bank customers can instantly avail personal loans or credit cards on a single platform in a completely paperless and digital manner.
- The Bank has launched the Green Fixed Deposits that provide its customers with an opportunity to contribute in the development of projects that can have a positive impact on the environment and the society at large. Green Fixed Deposits to both retail and corporate customers where the deposit proceeds will be allocated to finance projects and firms supporting the United Nations Sustainable Development Goals (SDGs). The Bank, will use the proceeds from these

deposits to finance wide array of sectors falling under the SDG themes including energy efficiency, renewable energy, green transport, sustainable food, agriculture, forestry, waste management, and greenhouse gas reduction.

- The Bank is the first Indian bank to go live on UPI for cross-border payment.
- The Bank has received a final report in March 2022 from an external agency on its assessment and findings in the matter of allegations made by anonymous individuals related to Bank's wholly owned subsidiary and business correspondent for microfinance loans, Bharat Financial Inclusion Limited ("BFIL"). Bank's Board of Directors after review of the findings have constituted a committee to look into staff accountability in this regard. The Bank wishes to reiterate that there is a strong risk management and control framework in place, which will be further strengthened basis the findings of independent review.

### **Change in the Nature of Business**

During the year under review, there has been no change in the nature of business of the Bank.

### **Performance of Subsidiary and Associate Company**

During the year under review, Bharat Financial Inclusion Limited ("BFIL"), the wholly owned subsidiary of the Bank, earned revenue of ₹ 1,637.21 crores as against ₹ 1,316.66 crores earned during the previous year. The Net Profit for the year under review amounted to ₹ 193.52 crores as against ₹ 153.48 crores a year ago. As a Business Correspondent undertaking, the strength of BFIL lies in its talent pool of trained and motivated employees that stood at 31,373 as on March 31, 2022.

IndusInd Marketing and Financial Services Private Limited (IMFS) is an Associate Company of the Bank as 30% of its share capital is held by the Bank. IMFS is engaged in the business of providing manpower services, and during the year under review, earned a revenue of ₹ 419.72 crores as against ₹ 371.70 crores earned in the previous year. The net profit earned by IMFS during the year under review amounted to ₹ 1.33 crores as against ₹ 0.74 crores earned in the previous year. IMFS had 13,054 employees on its rolls as on March 31, 2022.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, the Bank has drawn up Consolidated Financial Statements including the Financial Statements of its Subsidiary Company and financial results of Associate Company, and such Consolidated Financial Statements are included in this Annual Report.

In accordance with the fourth proviso to Section 136(1) of the Companies Act, 2013, the Standalone Financial Statements and the Consolidated Financial Statements, including audited accounts of BFIL and IMFS and all other documents required to be attached thereto have been hosted on the website of the Bank at:

<https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html>

A statement containing the salient features of the financial position of the Subsidiary and Associate Company in Form AOC-1 is enclosed as 'Annexure' to the Financial Statements.

The Bank does not have any joint venture company and the subsidiary is not a material subsidiary in terms of SEBI (LODR) Regulations.

### **Share Capital**

During the year, authorized capital of the Bank was increased from ₹ 857.00 crores to ₹ 1,000.00 crores after obtaining required approvals from the shareholders at the 27<sup>th</sup> Annual General Meeting held on August 26, 2021.

The issued, subscribed and paid-up share capital of the Bank as at March 31, 2022 is ₹ 774.66 crores comprising of 77,46,63,163 equity shares of face value of ₹ 10 each.

During the year under review, the Bank has allotted 12,90,864 equity shares of ₹ 10 each pursuant to exercise of options by option holders under its various Employee Stock Option Schemes ('ESOS'). The equity shares allotted under ESOS ranks pari-passu with the existing equity shares issued and allotted by the Bank. The share capital of the Bank increased by ₹ 1.29 crores and share premium by ₹ 84.79 crores on account of the said allotment.

The Bank has not issued any equity shares with differential voting rights.

## Debentures

Being a Scheduled Commercial Bank, compliance with SEBI Circular No.: SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 on fund-raising by issuance of Debt Securities by Large Entities is not applicable to the Bank.

In compliance with Regulation 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the names of the Debenture Trustees with their contact details are given below:

### Trustee I:

Name of Debenture Trustee : Catalyst Trusteeship Limited (formerly GDA Trusteeship Ltd.)  
 Address : GDA House, S. No.94/95, Plot No.85, Bhusari Colony (Right),  
 Paud Road, Pune – 411038, Maharashtra, India.  
 Website : [www.catalysttrustee.com](http://www.catalysttrustee.com)  
 E-mail : [dt@ctltrustee.com](mailto:dt@ctltrustee.com)

### Trustee II:

Name of Debenture Trustee : Beacon Trusteeship Limited  
 Address : 4C&D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Club,  
 Bandra (East), Mumbai – 400 051.  
 Website : [www.beacontrustee.co.in](http://www.beacontrustee.co.in)  
 E-mail : [info@beacontrustee.co.in](mailto:info@beacontrustee.co.in)

## Tier 1 Capital

The Bank has redeemed unsecured, redeemable, subordinated Tier 1 Basel III compliant non-convertible taxable Bonds by exercising the call option on March 22, 2022 of ₹ 1,000 crores.

## Tier 2 Capital

The Bank has raised unsecured, redeemable, subordinated Tier 2 Basel III compliant non-convertible taxable Bonds through private placement basis at par aggregating to total size of ₹ 2,800 crores on October 29, 2021 with a tenor of 10 years which will augment Capital Funds of the Bank as well as enhance long-term resources of the Bank. As on March 31, 2022, the value of outstanding Tier 2 Capital instruments is ₹ 2,800 crores.

## Deposits

The Bank is a banking company governed by the Banking Regulation Act, 1949, and as such, the provisions in the Companies Act, 2013 relating to acceptance of Public Deposits are not applicable.

## Capital Adequacy

The Bank continues to be adequately capitalized. The Capital Adequacy Ratio of the Bank, calculated under the Basel III Capital Regulations mandated by RBI, is set out below:

Particulars	March 31, 2022	March 31, 2021
i) Capital Adequacy Ratio (CRAR)	18.42%	17.38%
ii) CRAR- Common Equity Tier 1 Capital	15.96%	15.55%
iii) CRAR- Tier 1 Capital	16.80%	16.83%
iv) CRAR- Tier 2 Capital	1.62%	0.55%

### Credit Ratings

Instruments	Rating	Rating Agency
<b>Domestic Ratings</b>		
Infra Bond program/ Tier II Bonds	AA+	CRISIL
Additional Tier I Bond Program	AA	CRISIL
Certificates of Deposit Program	A1+	CRISIL
Short Term FD Program	A1+	CRISIL
Senior Bonds program / Tier II Bonds	AA+	India Ratings and Research
Additional Tier I Bond Program	AA	India Ratings and Research
Short Term Debt instruments	A1+	India Ratings and Research
<b>International Ratings</b>		
Senior Unsecured MTN Program	Ba1	Moody's Investors Service

### Bank's Directors

The Board of the Bank comprised of nine Directors as on March 31, 2022, viz., Mr. Arun Tiwari, Non-Independent Non-Executive, Part-time Chairman, seven Non-Executive Independent Directors, viz., Mr. Shanker Annaswamy, Dr. T. T. Ram Mohan, Mrs. Akila Krishnakumar, Mr. Rajiv Agarwal, Mr. Sanjay Asher, Mrs. Bhavna Doshi and Mr. Jayant Deshmukh, and Mr. Sumant Kathpalia, Managing Director & CEO.

#### (a) Non-Executive, Independent Directors

All Independent Directors have submitted the declarations that they meet the criteria of independence as laid down under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI Listing Regulations. Based on the said declarations, the following Non-Executive Directors continue to be classified as Independent Directors of the Bank:

1. Mr. Shanker Annaswamy
2. Dr. T. T. Ram Mohan
3. Mrs. Akila Krishnakumar
4. Mr. Rajiv Agarwal
5. Mr. Sanjay Asher
6. Mrs. Bhavna Doshi
7. Mr. Jayant Deshmukh

In addition, the Bank's Board of Directors have, pursuant to Regulation 25(9) of SEBI Listing Regulations, obtained a Certificate from M/s Alwyn Jay & Co., Practicing Company Secretaries that the aforesaid Directors meet the 'Criteria of Independence' and are independent of the Management. The said certificate is furnished as **Annexure I**, and forms an integral part of this Report.

#### (b) Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013, read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 17 of SEBI Listing Regulations, specified companies are required to have at least one Woman Director on their Board. Details of the Women Independent Directors of the Bank, are as under:

**Mrs. Akila Krishnakumar (DIN: 06629992)**, who joined the Board on August 10, 2018, is a Non-Executive, Independent Director of the Bank. Mrs. Akila Krishnakumar is the Chairperson of the Compensation and Nomination & Remuneration Committee, Customer Service Committee, Vigilance Committee and Corporate Social Responsibility & Sustainability Committee. Mrs. Akila Krishnakumar is also Member of IT Strategy Committee and Review Committee (for identification of Non-Cooperative Borrowers & Wilful Defaulters).

**Mrs. Bhavna Doshi (DIN: 00400508)**, who joined the Board on January 14, 2020, is a Non-Executive, Independent Director of the Bank. Mrs. Bhavna Doshi is the Chairperson of the Audit Committee of the Board and a Member of the Finance Committee, Risk Management Committee, Special Committee for monitoring of Large Value Frauds, Stakeholders' Relations Committee and Inquiry Committee.

**(c) Chairman of the Board**

**Mr. Arun Tiwari (DIN: 05345547)** was appointed as the Non-Independent Non-Executive, Part-time Chairman of the Bank, for a period of three years, with effect from January 31, 2020 up to January 30, 2023 (both days inclusive), as approved by the Reserve Bank of India.

Mr. Arun Tiwari's appointment as the Non-Independent Non-Executive, Part-time Chairman of the Bank was approved by the Shareholders at the 26<sup>th</sup> Annual General Meeting of the Bank held on September 25, 2020.

**(d) Managing Director & CEO**

**Mr. Sumant Kathpalia (DIN: 01054434)** was appointed as the Managing Director & CEO of the Bank, for a period of three years, with effect from March 24, 2020 up to March 23, 2023 (both days inclusive), as approved by the Reserve Bank of India.

Mr. Sumant Kathpalia's appointment as the Managing Director & CEO was approved by the Shareholders at the 26<sup>th</sup> Annual General Meeting of the Bank held on September 25, 2020.

**(e) Details of Directors seeking Appointment / Re-appointment / Directors retiring by rotation at the forthcoming AGM.**

**(i) Appointment**

**Mr. Pradeep Udhas (DIN: 02207112)** was appointed as 'Additional Director' in the category of Non-Executive, Independent Director of the Bank, by the Board of Directors at their meeting held on June 9, 2022, to hold office until the date of the ensuing Annual General Meeting, and as the Non-Executive, Independent Director of the Bank, for a period of four consecutive years, from June 9, 2022 up to June 8, 2026 (both days inclusive), subject to the approval of the shareholders of the Bank.

Approval of the shareholders is being sought for the appointment of Mr. Pradeep Udhas as Non-Executive Independent Director of the Bank by means of a Special Resolution at the ensuing Annual General Meeting.

**(ii) Re-appointment**

**Mrs. Akila Krishnakumar (DIN: 06629992)** was appointed as Non-Executive, Independent Director of the Bank, for a period of four years, with effect from August 10, 2018 up to August 9, 2022 (both days inclusive), and her appointment was approved by the Shareholders at the 25<sup>th</sup> Annual General Meeting held on August 16, 2019.

Pursuant to the recommendation of the Compensation and Nomination & Remuneration Committee of Directors, the Board of Directors at its meeting held on July 18, 2022, approved the re-appointment of Mrs. Akila Krishnakumar as the Non-Executive, Independent Director of the Bank, for her second term of four consecutive years, with effect from August 10, 2022 up to August 9, 2026 (both days inclusive), subject to the approval of the shareholders of the Bank.

Approval of the Shareholders is being sought for the re-appointment of Mrs. Akila Krishnakumar as Non-Executive, Independent Director by means of a Special Resolution at the ensuing 28<sup>th</sup> Annual General Meeting.

**(iii) Retirement by Rotation**

Section 152 of the Companies Act, 2013 provides that unless the articles provide for the retirement of all directors at every annual general meeting, not less than two-thirds of the total number of directors of a public company shall be persons whose period of office is liable to determination by retirement of directors by rotation and one-third of such of the directors for the time being as are liable to retire by rotation and whose tenure is longest shall retire from office.

Accordingly, **Mr. Sumant Kathpalia (DIN: 01054434), Managing Director & CEO** of the Bank, is liable to retire by rotation at the ensuing Annual General Meeting.

Approval of the shareholders is being sought for re-appointment of Mr. Sumant Kathpalia, who retires by rotation, and being eligible, has offered himself for re-appointment.

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of the Directors seeking appointment/ re-appointment, as aforesaid are given in the annexure to the Statement attached to the Notice convening the 28<sup>th</sup> Annual General Meeting, which forms part of the Annual Report.

None of the Directors have been disqualified from being appointed as 'Director' of the Bank, pursuant to the provisions of Section 164 of the Companies Act, 2013.

The Board of Directors have received a Certificate from M/s Alwyn Jay & Co., Practicing Company Secretaries, pursuant to Regulation 34(3) read with Schedule V, Para C, Clause 10 (i) of the SEBI Listing Regulations, that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors on the Board, by SEBI, Ministry of Corporate Affairs or any other Statutory/ Regulatory Authority. The said certificate is furnished as **Annexure II**, and forms an integral part of this Report.

**STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR:**

The Independent Directors appointed/re-appointed during the year were subject to the due-diligence by the Compensation and Nomination & Remuneration Committee, based on parameters of qualification, expertise, track record, integrity and such other parameters as stipulated under extant norms prescribed by the Reserve Bank of India.

The Board of Directors, based on recommendation of the Compensation and Nomination & Remuneration Committee, and after conducting its own assessment, were of the opinion that the Independent Directors appointed/ re-appointed during the year, possesses the necessary integrity, expertise and experience, and that their appointment/ re-appointment, is in the interest of the Bank.

**(f) Cessation of Directors**

None of the Directors have demitted office during the FY 2021-22.

**(g) Cessation of Director after the end of the year and upto the date of the Report**

None of the Directors have demitted office after the end of the financial year 2021- 2022 and up to the date of this Report.

**Board and Committee Meetings**

During the year, 26 meetings of the Board of Directors and 17 meetings of the Audit Committee of the Board were held, the details of which are given in the Corporate Governance Report, which forms part of the Annual Report.

In compliance with RBI Circular dated April 26, 2021 on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board, Mr. Arun Tiwari, stepped down as a Member of the Audit Committee of Board, Mr. Sanjay Asher stepped down as Chairman of the Audit Committee of Board and Mrs. Bhavna Doshi was appointed as the Chairperson of the Audit Committee of Board, with effect from October 1, 2021.

As on March 31, 2022, the Audit Committee of Board comprised the following Independent Directors, viz., Mrs. Bhavna Doshi (Chairperson), Mr. Sanjay Asher, and Mr. Shanker Annaswamy.

There have not been any instances during the year where the recommendations of the Audit Committee were not accepted by the Board.

Details of the composition of the Board and of all its Committees, the Meetings held and attendance of the Directors at such Meetings are provided in the Corporate Governance Report, which forms part of the Annual Report.

The intervening gap between the meetings of the Board and Committees, were within the period as prescribed under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

### ***Performance Evaluation of the Board***

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Compensation and Nomination & Remuneration Committee of the Board had laid down the criteria for Performance Evaluation of the Board as a whole, Individual Directors including Independent Directors, Non-Independent Directors, the Chairman and the Committees of the Board, as well as the process for such evaluation.

The Bank has aligned its Board Evaluation Framework in line with the Guidance Note on Board Evaluation issued by SEBI as per Circular dated January 5, 2017.

Pursuant to the recommendation of the Compensation and Nomination & Remuneration Committee, the Board of Directors have engaged an external Independent Professional for conducting the Performance Evaluation exercise.

The Board of Directors has carried out the annual evaluation of the performance of the Board as a whole, Individual Directors including Independent Directors, Non-Independent Directors, the Chairman and the Committees of the Board.

The performance of the Board as a whole, Individual Directors including Independent Directors, Non-Independent Directors, the Chairman and the Committees of the Board have been evaluated / reviewed by the Compensation and Nomination & Remuneration Committee, by the Independent Directors and by the Board of Directors.

The Board has formulated a Policy on Performance Evaluation which details the various aspects that are to be considered for evaluating the performance of the Board, including but not limited to attendance, participation in the meeting, contribution towards strategies of the Board, etc.

The Policy on Performance Evaluation provides a guideline for the individual Directors to evaluate the Board, its Committees and individual directors.

The Statement indicating the manner in which the evaluation exercise was conducted is included in the Corporate Governance Report, which forms part of this Annual Report.

### ***Policy for Selection and Appointment of Directors***

The Board of Directors are at the helm of the Bank and an enlightened Board creates a culture of leadership and provides a long-term policy approach to improve the quality of governance.

The Policy for Selection and Appointment of Directors has been formulated and adopted by the Bank, in terms of Section 178 of the Companies Act, 2013, the relevant provisions of the SEBI Listing Regulations, Section 10A of the Banking Regulation Act, 1949 and the Guidelines issued by the RBI, in this regard, from time to time.

The Policy for Selection and Appointment of Directors shall act as a guideline for the Compensation and Nomination & Remuneration Committee for determining the qualifications, positive attributes, independence of Directors and matters related thereto to recommend appointment and removal of Directors to the Board of the Bank.

The Policy for Selection and Appointment of Directors has been hosted on the Bank's website at:

<https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html>

### ***Familiarization Programs for Independent Directors***

Various programs were undertaken for familiarizing the Independent Directors of the Bank, details of which are disclosed in the Corporate Governance Report, which forms part of the Annual Report.

### **Change in Key Managerial Personnel**

During the financial year 2021-22, the following changes took place in Key Managerial Personnel of the Bank:

- i) **Chief Financial Officer:** Mr. S. V. Zaregaonkar stepped down as the Chief Financial Officer of the Bank, with effect from closing hours of September 29, 2021. He shall however, continue to discharge his responsibilities as the Chief Operating Officer of the Bank, until the date of his superannuation.

Mr. Gobind Jain has assumed charge as the Chief Financial Officer of the Bank, with effect from September 30, 2021.

- ii) **Company Secretary:** Mr. Haresh Gajwani stepped down as the Company Secretary and Key Managerial Personnel of the Bank, with effect from November 26, 2021, in view of his impending superannuation on December 31, 2021.

Mr. Girish Koliyote was appointed as the Company Secretary and Key Managerial Personnel of the Bank, w.e.f. November 27, 2021. Due to personal reasons, Mr. Girish Koliyote has resigned as the Company Secretary and Key Managerial Personnel of the Bank, with effect from the close of business hours on Friday, June 17, 2022.

Mr. Anand Kumar Das was designated as the 'Deputy Company Secretary' of the Bank with effect from June 9, 2022. With effect from June 20, 2022, he was also appointed as the 'Compliance Officer of the Bank' in terms of Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and under the relevant provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and as the Nodal Officer of the Bank, in terms of Rule 2A of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

### **System for Internal Financial Controls and its Adequacy**

The Bank operates in a fully computerized environment with a Core Banking Solution system, supported by diverse application platforms for handling special businesses, such as Treasury, Trade Finance, Credit Cards, Retail Loans, etc. The process of recording of transactions in each of the application platforms is subject to various forms of controls such as, in-built system checks, Maker – Checker authorizations, independent post-transaction reviews, etc. The Financial Statements are prepared based on computer system outputs. The responsibility of preparation of Financial Statements is entrusted to a dedicated unit which is completely independent. This unit does not originate accounting entries except for limited matters such as, Share Capital, Taxes and Transfers to Reserves. The Bank has implemented adequate procedures and internal controls which provide reasonable assurance regarding reliability of financial reporting and preparation of Financial Statements, and that such internal financial controls were adequate and were operating effectively during the year.

### **Conservation of Energy and Technology Absorption and Foreign Exchange Earnings and Outgo**

The information on conservation of energy and technology absorption pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with the Rule 8 (3) of the Companies (Accounts) Rules, 2014, is mentioned below.

#### **Conservation of Energy:**

Considering the nature of its activities as an entity in the Financial Services sector, the Bank has voluntarily taken steps towards conservation of energy, details of which are furnished in Principle 6 of Section E of the Business Responsibility and Sustainability Report which has been hosted on the Bank's website at:

<https://www.indusind.com/in/en/sustainability.html>

#### **Technology Absorption:**

The Bank has made optimum use of Information Technology in its operations. Details pertaining to Technology Absorption have been explained in the Management Discussion and Analysis Report which forms an integral part of the Annual Report.

#### **Foreign Exchange Earnings and Outgo:**

The provisions relating to 134 (3) (m) of the Companies Act, 2013, on particulars relating to Foreign Exchange Earnings and Outgo are not applicable to a Banking company and as such, no disclosure is being made in this regard.

### **Risk Management**

The Bank has an Enterprise-wide Risk Management (ERM) framework in place. The integrated Risk Management Department covers Credit Risk, Market Risk, Assets-Liabilities Management (ALM) and Operational Risk across all verticals, independent of business functions.

Risk Management functions in the Bank have been aligned with best industry practices, supported by advanced risk measurement and analytical systems which enable proactive risk management and monitoring. Risk Management is continually enhanced in line with changes in operating environment and regulations.

The Bank has a comprehensive framework of Risk Management Policies which specify the risk appetite, risk measurement methodologies, and monitoring and control measures for the respective business segments. The policies have been designed keeping risk appetite as the central objective, and business strategies have been aligned to risk policies.

The Bank has set up a Board-level Committee, viz., 'Risk Management Committee' to examine risk policies and procedures developed by the Bank and monitor adherence to risk parameters and prudential limits set for different portfolios / products / segments.

Details of Risk Management Models and Frameworks implemented by the Bank are mentioned under 'Management Discussion and Analysis'.

### ***Vigil Mechanism / Whistle Blower Policy***

The Bank has in place the 'Whistle Blower Policy' since 2009. The Policy is in compliance with RBI Guidelines, provisions of the Companies Act, 2013, and the SEBI Listing Regulations. The Vigil Mechanism at the Bank requires submission of Quarterly Reviews before the Audit Committee of the Board, and placing of Annual Reviews before the Audit Committee and the Board of Directors. The Policy also incorporates suggestions of the Protected Disclosure Scheme for Private Sector and Foreign Banks, instituted by Reserve Bank of India.

The Board of Directors of the Bank have constituted a Board-level Committee, viz., the Vigilance Committee, which conducts overview of cases of vigilance nature arising out of actions of the employees of the Bank. The Committee meets at least thrice a year.

The Bank's Whistle Blower Policy is in sync with all statutory and regulatory guidelines on Vigil Mechanism.

Further details about the Vigil Mechanism are furnished in the Report on Corporate Governance, and the current Whistle Blower Policy of the Bank has been hosted on the Bank's website at:

<https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html> > Policies & Codes >> Whistle Blower Policy

### ***Reporting of Fraud, by the Auditors***

During the year under review, there were no instances of fraud reported by the Auditors pursuant to Section 143(12) of the Companies Act, 2013 to the Audit Committee or the Board of Directors.

### ***Statutory Auditors***

M/s Haribhakti & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 103523W / W100048) and M/s M. P. Chitale & Co., Chartered Accountants (ICAI Firm Registration Number 101851W), were the Joint Central Statutory Auditors of the Bank for the year ended March 31, 2022.

The Joint Central Statutory Auditors have not made any qualification/ reservation/ adverse remarks or disclaimer in their report for FY 2021-22.

As per RBI guidelines issued on April 27, 2021, a Statutory Auditor can conduct audit of Scheduled Commercial Bank for a maximum period of 3 years at a time. Statutory Auditor would not be eligible for re-appointment in the same Entity for six years (two tenures) after completion of full or part of one term of the audit tenure.

Members may note that appointment of M/s. M. P. Chitale & Co., Chartered Accountants was approved by the members in the 27<sup>th</sup> AGM of the Bank held on August 26, 2021, for a period of three (3) consecutive years, i.e., until the conclusion of the 30<sup>th</sup> AGM, subject to approval from the RBI on annual basis.

In terms of RBI communication dated October 12, 2021, M/s Haribhakti & Co. LLP, Chartered Accountants, have not undertaken any type of audit assignment for the period commencing from April 1, 2022, until the conclusion of the 28<sup>th</sup> Annual General Meeting of the Bank.

M/s. M. P. Chitale & Co., Chartered Accountants (ICAI Firm Registration Number 101851W) are proposed to be re-appointed as Joint Statutory Auditors of the Bank for FY2022-23, being their second year of appointment.

M/s MSKA & Associates, Chartered Accountants (ICAI Firm Registration Number 105047W) are proposed to be appointed as one of the Joint Statutory Auditors of the Bank for a period of three years commencing from the conclusion of this AGM, until the conclusion of the 31<sup>st</sup> Annual General Meeting that would be held during FY 2025-26, subject to the approval of the RBI on annual basis from the conclusion of the 29<sup>th</sup> AGM.

### **Independent Auditors' Report**

M/s Haribhakti & Co. LLP and M/s M. P. Chitale & Co., Joint Central Statutory Auditors of the Bank, have audited the accounts of the Bank for the year 2021-22 and their Report is enclosed and forms part of the Annual Report. Pursuant to Section 143(3)(i) of the Companies Act, 2013, the Joint Central Statutory Auditors have also reported on the adequacy and operating effectiveness of internal financial controls system over financial reporting, which has been enclosed as '**Annexure A**' to the Independent Auditors' Report.

Significant Audit observations, if any, and corrective actions taken by the Management are presented to the Audit Committee of the Board from time to time.

There are no qualifications, reservations or adverse remarks or disclaimers made in the Auditors' Report.

### **Secretarial Audit**

In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Bank has appointed M/s Alwyn Jay & Co., Company Secretaries in Practice, to undertake Secretarial Audit of the Bank for the FY 2021-22. The Secretarial Audit Report submitted by M/s Alwyn Jay & Co. is furnished at **Annexure III**, and forms an integral part of this Report.

The Secretarial Audit Report submitted by M/s Alwyn Jay & Co. for FY 2021-22 does not contain any qualification, reservation or adverse remark.

### **Employees Stock Option Scheme**

The Bank had instituted the Employee Stock Option Scheme (ESOS-2020) to enable its employees, including Whole-time Directors, to participate in the capital appreciation and future growth of the Bank. Under the Scheme, Options can be granted, which upon exercise could give rise to the issuance of a number of shares up to 7% of the aggregate number of paid-up equity shares of the Bank from time to time. The eligibility and number of Options to be granted to an employee is determined on the basis of criteria laid down in the Scheme and is approved by the Compensation and Nomination & Remuneration Committee of the Board of Directors.

An aggregate of 5,19,25,433 Options, comprising 6.70% of the Bank's paid-up Equity Capital, have been granted under the Scheme. Statutory disclosures as required under Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 are given at **Annexure IV**, and form an integral part of this Report.

The Annual Certificate on compliance with the SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 issued by the Secretarial Auditor of the Bank shall be hosted on the Bank's website, as the 28th Annual General Meeting will be held through Video Conference facility.

The Employees Stock Option Plan is administered by the Compensation and Nomination & Remuneration Committee of the Board.

Statutory disclosures as mandated under Regulation 14 of the SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, have been hosted on the website of the Bank at:

<https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html>

### **Compliance with Secretarial Standards**

The Bank has complied with the provisions of the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and has put in place systems which are adequate and are operating effectively.

## Maintenance of Cost Records

Being a Banking Company, the Bank is not required to maintain cost records as per sub-section (1) of Section 148 of the Companies Act, 2013.

## Proceedings under Insolvency and Bankruptcy Code

**Details of application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review, along with their status as at the end of the financial year:**

Pan No.	Borrower	Date of filing the case	Date of admission	Is the case filed under RBI direction?	Resolution status (RP / Liquidation / Delay / Yet to be Admitted)	Remarks
AAACG0108J	Gallium Industries Ltd	30/06/2017	21/07/2017	No	Liquidation Order Passed	The Liquidation order was passed on 17.12.2018 & liquidator has sold all assets and distributed the amount to the stakeholders as per claims. The liquidator has also filed an IA in NCLT seeking investigations against the directors of the corporate debtors by Serious Fraud Investigation Office (SFIO).  The application is listed for hearing on 02.08.2022.  Liquidator is also in process of filing application in NCLT for dissolution of the company since all the assets of the company have been sold off under liquidation.
AAACC1921B	Cox & Kings Ltd(Borrower) Cox and Kings Global Services Pvt Ltd. (Corporate Guarantor)	29/06/2020	-	No	Yet to be Admitted	In the matter of Cox & Kings Limited (borrower), an application u/s 7 of IBC has been filed against the Corporate Guarantor- Cox & Kings Global Services Ltd on 29.06.2020 before Mumbai NCLT which is pending for admission.
AAACW6349M	Siti Network Limited (Borrower) Zee Entertainment Enterprises (Corporate / DSRA Guarantor)	25/01/2022	-	No	Yet to be Admitted	In the matter of Siti Network Limited (borrower), an application u/s 7 of IBC has been filed against the Corporate / DSRA Guarantor- Zee Entertainment Enterprises Limited on 25.1.2022 before Mumbai NCLT which is pending for admission.

### **Directors' Responsibility Statement**

To the best of their knowledge and belief and according to the information and explanations obtained by them, the Directors make the following statement in terms of Section 134(3)(c) and 134 (5) of the Companies Act, 2013:

- (a) that in the preparation of the Annual Accounts for the year ended March 31, 2022, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- (b) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and that judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as at March 31, 2022, and of the profit of the Bank for the year ended on that date;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities;
- (d) that the Annual Financial Statements have been prepared on a 'going concern' basis;
- (e) that proper internal financial controls were in place and that the financial controls were adequate and operating effectively; and
- (f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### **Annual Return**

Pursuant to Section 92(3) read with Section 134(3) (a) of the Companies Act, 2013, the Annual Return of the Bank as on March 31, 2022, in the prescribed Form MGT-7 is available on the Bank's website at:

<https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html>

### **Particulars of Employees**

The Bank had 33,582 employees on its rolls as on March 31, 2022.

78 employees employed throughout the year were in receipt of remuneration of ₹ 1.02 crores per annum or more, and 27 employees employed for the part of the FY 2022 were in receipt of remuneration of ₹ 8.50 lakh per month or more.

The information containing particulars of employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, the above details are not being sent along with this Annual Report to the Members of the Bank in line with the provision of Section 136 of the Companies Act, 2013. Members who are interested in obtaining the details may please send an email to the Secretarial Team at [investor@indusind.com](mailto:investor@indusind.com).

None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the Equity Share Capital of the Bank.

Details pursuant to remuneration of Directors and Employees in terms of Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, are given at **Annexure V** which forms an integral part of this Report.

### **Policy on Remuneration to Non-Executive Directors**

The Bank has formulated and adopted a Policy on Remuneration to Non-Executive Directors of the Bank, in terms of the guidelines prescribed in RBI Circular dated April 26, 2021, on compensation of Non-Executive Directors of private sector banks.

During the year under review, the Independent Non-Executive Directors of the Bank were paid Fixed Remuneration of ₹ 10 lakhs per annum, and Sitting Fees for attending meetings of the Board and various Board Committees held during the year under review.

Mr. Arun Tiwari, Non-Independent, Non-Executive, Part-time Chairman of the Bank was paid fixed remuneration of ₹30 lakhs per annum, in terms of the approval granted by the Shareholders and the Reserve Bank of India, and Sitting Fees for attending meetings of the Board and various Board Committees held during the year under review.

The annual remuneration payable to a single Non-Executive Director of the Bank did not exceed 50% of the total annual remuneration payable to all Non-Executive Directors.

No Stock Options were granted to the Non-Executive Directors.

The 'Policy on Remuneration to Non-Executive Directors' has been hosted on the Bank's website at:  
<https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html#policies-and-codes>

Details on remuneration paid to the Managing Director of the Bank, are given under the Corporate Governance Report, which forms part of the Annual Report.

### **Particulars of Loans, Guarantees or Investments outstanding**

Pursuant to Section 186(11) of the Companies Act, 2013, loans made, guarantees given, securities provided or acquisition of securities by a banking company in the ordinary course of its business are exempted from the disclosure requirement under Section 134(3)(g) of the Companies Act, 2013.

### **Particulars of Contracts or Arrangements with Related Parties**

All transactions entered with 'Related Parties' during the year under review were conducted on an 'arm's length basis' and in the 'ordinary course of business' of the Bank, and therefore does not attract the provisions of Section 188 of the Companies Act, 2013.

Further, there are no materially significant Related Party Transactions entered by the Bank during the year under review, with any of its Related Parties, viz., Promoters, Directors, Key Management Personnel, Subsidiary and other related entities including IMFS, an Associate Company, which may have potential conflict with the interest of the Bank at large.

In view of the above, the disclosure under Form AOC-2 is not applicable to the Bank.

The Policy on Related Party Transactions as approved by the Board of Directors has been hosted on the Bank's website at:  
<https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html> >>Policies & Codes >> Related Party Transaction Policy

### **Consolidated Financial Statements**

In accordance with Section 129 (3) of the Act, Consolidated Financial Statements of IndusInd Bank Limited ('the Bank'), Bharat Financial Inclusion Limited (formerly known as IndusInd Financial Inclusion Limited) ("BFIL") ("the Subsidiary") and IndusInd Marketing and Financial Services Private Limited ("IMFS") ("the Associate") has been prepared and is included in the Annual Report.

In accordance with Section 136(1) of the Companies Act, 2013, the Annual Report of the Bank, containing therein its standalone financial statements and the consolidated financial statements and all other documents required to be attached thereto has also been hosted on the Bank's website at:

<https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html>

Further, the audited annual accounts of the Subsidiary of the Bank has been hosted on the Bank's website at:  
<https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html>

In the preparation of the Consolidated Financial Statements, the Standalone Financial Statements of BFIL, the wholly-owned subsidiary for the year ended March 31, 2022, have been considered on a line by line basis by adding together like items of assets, liabilities, income and expenses, in accordance with AS 21.

In accordance with AS 23, the Standalone Financial Statements of IMFS, an associate in which the Bank has a 30% stake, has been considered in the Consolidated Financial Statements by adopting 'Equity Method'.

### **Indian Accounting Standards (Ind AS)**

The Reserve Bank of India (RBI) issued a circular in February 2016, requiring Scheduled Commercial Banks to implement Indian Accounting Standards (Ind AS) from April 1, 2018. Vide a press release dated April 5, 2018 the implementation was deferred by one year. The legislative amendments recommended by the Reserve Bank towards implementation of Ind AS are still under consideration of the Government of India. Accordingly, RBI had, through a notification dated March 22, 2019, deferred the Ind AS implementation until further notice.

Pursuant to the RBI Circular dated February 11, 2016, the Bank formed a Steering Committee, comprising members from cross-functional areas, for the purpose of reviewing and monitoring the progress of implementation. The Bank had set up a Working Group under the guidance of the Steering Committee and has conducted Gap Assessment and identified the differences between the current accounting framework and Ind AS, including the identification of the accounting policy options provided under Ind AS 101, First Time Adoption. The Bank had engaged the services of a professional firm with international experience in the field, to assist in the project of implementation of Ind AS. The Bank has obtained licenses for IT systems to automate Expected Credit Losses and Effective Interest Rate calculations towards implementation of Ind AS and the project is currently under implementation. The Bank continues to organize trainings for its teams across business and support functions. The Audit Committee of the Board of Directors has an oversight on the progress of the Ind AS implementation. Further, there may be regulatory guidelines and/or clarifications in some of the critical areas with respect to application of Ind AS, which the Bank will need to incorporate in its implementation project as and when those are issued.

In accordance with RBI directions, the Bank has been submitting standalone pro forma Ind- AS financial statements along with other computations to the RBI, from time to time.

### **Corporate Social Responsibility and Sustainability**

In line with the CSR strategy, the Bank is committed to various long term community development projects that have a large positive impact. Consistent with the requirements of Section 135 of the Companies Act, 2013 and CSR Rules 2014, the Bank has set up a Board-level CSR & Sustainability Committee to look after the CSR initiatives. The Committee is headed by Mrs. Akila Krishnakumar as the Chairperson, Mr. Rajiv Agarwal, Mr. Sanjay Asher and Mr. Sumant Kathpalia as Members.

The composition of the CSR & Sustainability Committee is in accordance with Section 135 of the Companies Act, 2013.

The Bank revised its CSR Policy and strategy to align with National priorities and SDGs focused on long term approach with programs which provide maximum societal impact, aligning with the CSR mission of designing sustainable CSR programs and leveraging the Brand.

In FY 2021-22, the Bank designed a Holistic Rural Transformation Flagship program initiative with a mission to improve the income levels and standard of living of the rural communities aligning with NITI Aayog Aspirational Districts. It would have a long term perspective of 5-10 years, with impact on:

- Economic Empowerment of communities
- Improved efficiency in natural resource management

A significant allocation of CSR spends would be towards this as the program scales up and stabilizes.

The Bank continued its emphasis on Sustainable Environment, Education, Healthcare, Sports. These are mid-term programs designed to solve critical issues in the ecosystem. These programs include water stewardship, afforestation, renewal energy, climate adaptation, remedial education, school/college interventions, assisted learning, fellowship/scholarship, non-formal education, setting up of healthcare clinics, treatment of children suffering from cancer, affordable healthcare to marginalized community, mother & child care, sports for women/people with disabilities/underprivileged, employable skill development, etc.

Under Other Areas of Special Interest, the Bank supported with COVID relief to various stakeholders, livelihood and skilling programs and supported Armed Forces Veterans, Widows and their families. These were need based programs and short term in nature.

The Bank has supported CSR initiatives of Bharat Financial Inclusion Limited, its wholly-owned subsidiary. Two major initiatives, viz., Bharat Sanjeevani (on livestock care) and Pragat (Integrated Development Program including Water, Healthcare and Education) are supported.

The CSR Initiatives / Projects undertaken by the Bank are in accordance with Schedule VII of the Companies Act, 2013.

Companies, on the basis of criteria prescribed under Section 135 of the Act, are required to spend at least Two per cent of their Average Net Profits made during the three immediately preceding financial years, in pursuance of their Corporate Social Responsibility Policy. Accordingly, the Bank spent ₹ 108.69 crores against budget of ₹107.41 crores, towards various CSR activities specified in Schedule VII of the Companies Act, 2013.

The Report on CSR activities undertaken by the Bank during the year under review, is set out at **Annexure VI** and forms an integral part of this Report.

The CSR Policy, amended during the year, is framed basis the activities permitted under Schedule VII of the Companies Act, 2013. Details of the CSR Policy and initiatives adopted by the Bank on CSR, are available on Bank's website at: <https://www.indusind.com/in/en/csr-home/our-approach/csr-policy.html>

## **Sustainability**

The Bank has adopted a comprehensive approach to improve its triple bottom line (i.e., People, Planet and Profit) performance by integrating sustainability considerations in its business practices, decision-making, operations and products. The Bank understands that inclusion of sustainable practices is key for surviving and thriving in the long run and therefore, the Bank is diligently looking at adopting business products, practices, processes, risk and operations that reflect its long-standing view - "Good Ecology is Good Economics".

The Bank upholds sustainability in every aspect of its functioning, devising various board committees, councils and teams. At the apex lies the CSR and Sustainability Committee of the Board, followed by the Sustainability Council and the Sustainability Team. Sustainability theme is embedded across our diverse Businesses and Operations units. The centralized Sustainability unit works closely with various stakeholders in developing the ESG strategy for each department. This rolls up to form the overall Bank's ESG strategy, which underpins the Bank's overall Planning Cycle-5 Business Strategy. IndusInd has embedded sustainability across all 3 major areas – Business, Risk, and Banking Operations.

As a responsible lender, the Bank has also integrated ESG considerations into its Credit Appraisal process. Various ESG linked products and solutions have been offered to our retail and corporate clients. This comprehensive approach showcases our leadership position in the industry as a sustainable Bank. This has helped IndusInd Bank win the Asiamoney Best Bank for ESG India 2022 Awards and Bank's inclusion in the S&P Dow Jones Sustainability Yearbook 2022 consecutively for a second year, which showcases that the Bank clearly looks beyond profits to focus on its people, the society and the planet.

The Bank has adopted various reporting platforms and guidance frameworks laid out by 'Standard Setters' such as, International Integrated Reporting Council (IIRC), Global Reporting Initiative (GRI), Carbon Disclosure Project (CDP), Dow Jones Sustainability Index (DJSI), etc., for assessment and accountability in sustainability performance.

## **Business Responsibility and Sustainability Report (BRSR)**

As per SEBI Listing Regulations, the Business Responsibility and Sustainability Report ("BRSR") form part of the Directors' Report.

The Bank has provided BRSR, in lieu of the Business Responsibility Report which indicates the Bank's performance against the principles of the 'National Guidelines on Responsible Business Conduct'. This would enable the Members to have an insight into environmental, social and governance initiatives of the Bank.

In view of the above and in compliance with Regulation 34(2) of the SEBI Listing Regulations, the BRSR, has been hosted on the Bank's website at:

<https://www.indusind.com/in/en/sustainability.html>

### **Corporate Governance**

The Bank believes that Corporate Governance is a reflection of its value system, encompassing its culture, its policies, and its relationships with the stakeholders. Responsible and ethical corporate conduct is integral to the way the Bank does its business.

The Bank also believes that consistent implementation of good corporate governance practices contributes towards developing and sustaining the best operating systems and processes.

Integrity, transparency and accountability are the basic tenets of Corporate Governance. The Bank acknowledges the need to uphold the integrity of every transaction it enters into, and believes that honesty in its internal conduct would be judged by its external behavior.

The Bank has adopted the industry best practices of Corporate Governance and aims to continue banking on the highest principles of governance and ethics. At IndusInd, Corporate Governance is more than just adherence to the statutory and regulatory requirements. It is equally about focusing on voluntary practices that underlie the highest levels of transparency.

The Governance framework is driven by the objective of enhancing long-term stakeholder value, without compromising on Ethical Standards and Corporate Social Responsibilities.

The Bank's guiding principles are also articulated through its Code of Business Conduct and various initiatives taken to maintain transparency by communicating with the Shareholders on developments in the Bank. The Bank has also set up various sub-Committees of the Board to bring in more efficacy and transparency in the workings.

The Bank continues to focus on better, complete and timely disclosures to the Stock Exchanges for dissemination to the Stakeholders. Detailed disclosures regarding corporate governance are provided in the Corporate Governance Report, which forms part of the Annual Report.

### **Management Discussion and Analysis Report**

The Management Discussion and Analysis Report, as prescribed under Regulation 34(2)(e) of the SEBI Listing Regulations, forms part of the Annual Report.

### **Significant and Material Orders Passed by Regulators or Courts or Tribunal Impacting the 'Going Concern' Status and Operations of the Bank**

During FY 2021-22, there were no significant and material Orders passed by the Regulators / Courts / Tribunal that would impact the 'going concern' status of the Bank and its future operations.

### **Material Events that have happened after the Balance Sheet date**

No material changes and commitments affecting the financial position of the Bank have occurred between the end of the financial year of the Bank to which the Financial Statements relate and the date of this Report.

### **Awards and Accolades**

#### **1) Bank was bestowed with the Asset Asian Triple Awards 2021:**

- a) Treasury, Payment and Working Capital Category
  - Best in Treasury and Working Capital Public Sector India
  - Best Payment and Collection Solution India AutoPe Payment Solution
  - Best Payment and Collection Solution India Cashfree Payments India
  - Best Payment and Collection Solution India – Nupay
  - Best Payment and Collection Solution India - Maharashtra State Cooperative Cotton Growers Marketing Federation

- b) Supply Chain Finance Category
- Best Service Provider (India) Distribution Finance - 3rd Year in a row
  - Best Supply Chain Solution: India - Dell India
  - Best Supply Chain Solution: India - Haler Appliances (India) P. Ltd
  - Best Supply Chain Solution: India - APL Apollo Tubes Ltd.
  - IndusInd Bank ranked 2nd in the Ashok Leyland Product Funding during the year 2020 at Annual Financier Award 2020 from Ashok Leyland.
- 2) **FICCI CSR Awards 2019-20:**
- In the category of Environment Sustainability for the Bank's Drain Restoration Project, Gurgaon and in the category of Inclusive Development of PWDs for the Bank's Para-Champions Programme.
- 3) **ASIAMONEY FX Survey 2021:**
- The Bank was adjudged as the Market Leader, India in ASIAMONEY Foreign Exchange Survey 2021.
- 4) **BNY MELLON STP Award 2020:**
- The CGMO Trade & Remittance Operations team of the Bank received 2020 BNY Mellon STP award in recognition of achieving exceptional STP rate of 96.37%.
- 5) **VMware Customer Excellence Award for Improved Customer Experience (October 2021) :**
- The Bank was awarded with the Global VMware Customer Excellence Award.
- 6) **Finacle Innovation Awards 2021 (November 2021)**
- The Bank was winner in the following categories:
- a) COVID Response Innovation (for the initiative - Indus Easycredit for Individuals)
  - b) Ecosystem-led Innovation (for the initiative - Account Aggregator Framework)
- 7) **DigiDhan Awards 2020-21**
- The Bank has been awarded with the Utkarsh Puraskar of DigiDhan Award 2020-21 for achieving 1st highest percentage of digital payment transactions (Category: Large & Medium Private Sector Banks)
- 8) The Bank has been awarded the global 'Celent Model Bank' award under the category of 'Payments System Transformation' for building a best-in-class Enterprise Payments Hub (EPH).
- 9) The Bank has been awarded as #1 - Best Financier for 2021 at JCB India Annual Financiers Awards 2021. IndusInd Bank has won this award for 5 years in a row.
- 10) The Bank has been adjudged the winner in the category of 'Best Savings Product' at the FE Best Banks Awards 2020-21.
- 11) The Bank has been awarded with the 'Outstanding Digital CX - SME Payments' for its flagship mobile application for merchants - 'Indus Merchant Solutions'
- 12) **CSR Awards 2021:**
- a) The Bank has been awarded the CSR TIMES Award 2021 for: (i) CSR Project Water Resource Development & Management in Environment, Climate, Forest, River/Water Waves Category; and (ii) School Academic Improvement Program in Education Category.
  - b) The Bank has been awarded the CSR Universe COVID Response Impact Awards 2021 - 'Award of Excellence in Promoting Sports'
  - c) The Bank has been awarded the CII National Awards for Excellence in Water Management 2021 for the Project PRAGAT - Implemented by BFIL.

***Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.***

The Bank has complied with provisions relating to the constitution of Internal Complaints Committees under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The disclosures relating to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, is included in the Corporate Governance Report, which forms an integral part of the Annual Report.

***Cautionary Statement***

Certain statements in the Directors' Report and in the Management Discussion and Analysis document describing the Bank's objectives, estimates and expectations may be 'forward-looking statements' within the meaning of applicable Securities Laws and Regulations. Actual results could differ substantially from those expressed or implied. Important factors that could make a difference include economic conditions in the domestic and overseas markets, changes in Laws / Regulations, and other incidental factors.

***Annexures***

The following documents are annexed to the Directors' Report:

- (i) Certificate on Declaration of Independence of Directors from Company Secretary in Practice.
- (ii) Certificate from Secretarial Auditor on disqualification of directors pursuant to Regulation 34(3) of the SEBI Listing Regulations.
- (iii) Secretarial Audit Report of the Bank, for the financial year ended March 31, 2022.
- (iv) Statutory Disclosures regarding administration of ESOPs for the financial year ended March 31, 2022.
- (v) Disclosure on remuneration pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- (vi) Annual Report on CSR activities undertaken by the Bank during the financial year ended March 31, 2022, in terms of Notification dated 22 January, 2021, issued by the MCA.

***Acknowledgements***

The Directors are grateful to the Shareholders for the trust and confidence reposed by them in the Bank.

The Directors are also grateful to the Reserve Bank of India, the Ministry of Corporate Affairs, Securities and Exchange Board of India, Insurance Regulatory and Development Authority and the Stock Exchanges, for the guidance and support extended by them to the Bank.

The Board thanks its valued Customers for their patronage, and looks forward to the growing of this mutually supportive relationship in future.

The Board expresses its deep sense of appreciation to all employees for their excellent performance, strong work ethic, and untiring commitment, which qualities have contributed to the Bank's continued progress in a challenging environment.

**For and on behalf of the Board of Directors**

**Place : Mumbai  
Date : July 18, 2022**

**Sd/-  
Arun Tiwari  
Chairman  
DIN: 05345547**

**ANNEXURE I TO THE DIRECTORS' REPORT**

**CERTIFICATE ON DECLARATION OF INDEPENDENCE OF DIRECTORS**

**[Pursuant to Regulation 25(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To,  
**The Members of  
 IndusInd Bank Limited**  
 2401, Gen. Thimmayya Road,  
 Cantonment,  
 Pune - 411001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **IndusInd Bank Limited** having CIN L65191PN1994PLC076333 and having registered office at 2401, Gen. Thimmayya Road, Cantonment, Pune - 411001 (hereinafter referred to as 'the Bank'), produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 25(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and verifications as considered necessary and explanations furnished to us by the Bank & its officers and according to the declarations received from the Independent Directors under Section 149 (6) and (7) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we hereby certify that the Independent Directors on the Board of the Bank as stated below for the Financial Year ended March 31, 2022 fulfill the criteria of Independence as specified in Section 149 of the Companies Act, 2013 and Regulation 16 and 25 of the Listing Regulations.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in the Bank</b>
1	Mr. Shanker Annaswamy	00449634	12/01/2016
2	Dr. T. T. Ram Mohan	00008651	12/05/2016
3	Mrs. Akila Krishnakumar	06629992	10/08/2018
4	Mr. Rajiv Surajbhan Agarwal	00336487	15/03/2019
5	Mr. Sanjay Khatau Asher	00008221	10/10/2019
6	Mrs. Bhavna Gautam Doshi	00400508	14/01/2020
7	Mr. Jayant Vasudeo Deshmukh	08697679	24/07/2021

Ensuring the eligibility for the appointment / continuity of every Independent Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank. This Certificate is issued at the request of the Bank, for the internal use.

**ALWYN JAY & Co.**  
**Company Secretaries**

Sd/-  
**[Alwyn D'Souza, FCS.5559]**  
 [Partner]  
 [Certificate of Practice No.5137]  
 [UDIN : F005559D000643196]

Place : Mumbai  
 Date : July 18, 2022

Office Address:  
 Annex-103, Dimple Arcade,  
 Asha Nagar, Kandivali (East),  
 Mumbai 400101.

## ANNEXURE II TO THE DIRECTORS' REPORT

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
**IndusInd Bank Ltd.**  
2401, Gen Thimmayya Road,  
Cantonment,  
Pune - 411001 MH IN

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **IndusInd Bank Limited** (hereinafter referred to as 'the Bank') having CIN : L65191PN1994PLC076333 and having registered office at 2401, Gen Thimmayya Road, Cantonment, Pune - 411001 MH IN, produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below for the Financial Year ended as on **March 31, 2022** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of appointment as per MCA records.
1.	Mr. Arun Tiwari	05345547	Director	10/08/2018
2.	Mr. Shanker Annaswamy	00449634	Director	12/01/2016
3.	Dr. Ram Mohan Tiruvallur Thattai	00008651	Director	12/05/2016
4.	Mrs. Akila Krishnakumar	06629992	Director	10/08/2018
5.	Mr. Rajiv Surajbhan Agarwal	00336487	Director	15/03/2019
6.	Mr. Sanjay Khatau Asher	00008221	Director	10/10/2019
7.	Mrs. Bhavna Gautam Doshi	00400508	Director	14/01/2020
8.	Mr. Jayant Vasudeo Deshmukh	08697679	Director	24/07/2021
9.	Mr. Sumant Kathpalia	01054434	Managing Director	24/03/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

**ALWYN JAY & Co.**  
**Company Secretaries**

Sd/-

[Alwyn D'Souza, FCS.5559]

[Partner]

[Certificate of Practice No.5137]

[UDIN: F005559D000643119]

Place : Mumbai  
Date : July 18, 2022

Office Address:  
Annex-103, Dimple Arcade,  
Asha Nagar, Kandivali (East),  
Mumbai 400101.

**ANNEXURE III TO THE DIRECTORS' REPORT****FORM No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022****[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
**IndusInd Bank Ltd.**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IndusInd Bank Ltd.** (CIN: L65191PN1994PLC076333) (hereinafter called "the Bank").

Subject to limitation of physical interaction and verification of records caused by COVID – 19 Pandemic restrictions, the Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct, statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Bank and the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial period ended on **March 31, 2022**, complied with the statutory provisions listed hereunder and also that the Bank has followed proper Board processes and has required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Bank for the financial period ended on **March 31, 2022** in accordance with the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder for compliance to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, **as applicable**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), **as amended from time to time**:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (erstwhile The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (repealed w.e.f. August 13, 2021);
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (erstwhile The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (repealed w.e.f. August 9, 2021);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not applicable to the Bank**;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable as the Bank has not delisted / proposed to delist its equity shares from any stock exchange during the financial year under review**;

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable to the Bank;**
- i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (vi) Other specific business/industry related laws applicable to the Bank - The Bank has complied with the provisions of the Banking Regulation Act, 1949, Master Circulars, Notifications and Guidelines and other directions pertaining to commercial banking issued by Reserve Bank of India (RBI) from time to time. Further, the Bank has complied with other applicable general business laws, rules, regulations and guidelines.

We have also examined compliance with the applicable clauses of the following: -

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

During the period under review, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above subject to the following observations:

1. Reserve Bank of India (RBI) has imposed, by an order dated July 6, 2021, a monetary penalty of ₹ 10 Million (Rupees Ten Million only) on the Bank. As per the said order, the penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47 A (1) (c) read with sections 46 (4) (i) and 51 (1), the Banking Regulation Act, 1949 (the Act), for non-compliance with certain provisions of directions issued by the RBI on 'Lending to Non-Banking Financial Companies (NBFCs); 'Bank Finance to Non -Banking Financial Companies (NBFCs); 'Loans and Advances – Statutory and Other Restrictions'; and 'Creation of a Central Repository of Large Common Exposures – Across Banks'. The penalty was paid by the Bank.
2. National Stock Exchange of India Limited and BSE Ltd. had levied monetary penalty of ₹ 10,000 (Rupees Ten Thousand Only) each on the Bank for delay in compliance with Regulation 29(2) of the SEBI Listing Regulations regarding prior intimation about the meeting of the Board of Directors where the proposal of Dividend was considered by the Board. The Company had paid the penalty to National Stock Exchange of India Limited and BSE Ltd.

**We further report that:**

- (a) the Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- (b) The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (c) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as prescribed under the applicable Secretarial Standards, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (d) The minutes of the Board meetings and Committee Meetings have not identified any dissent by members of the Board /Committee of the Board respectively hence we have no reason to believe that the decisions by the Board were not approved by all the directors/members present.

**We further report that**, there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Bank has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

**We further report that** during the audit period the following events / actions have taken place, having a major bearing on the Bank's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

1. The Bank has allotted 12,90,864 Equity Shares of ₹10 each under the Bank's ESOP Schemes.
2. Approval of the Members of the Bank was obtained at the 27th Annual General Meeting held on August 26, 2021 to:
  - a. Create, issue, offer and/or allot, in one or more tranches, in the course of one or more private offerings by way of preferential issue, Qualified Institutional Placement or any other mode or combinations of these in the domestic or one or more international markets, equity shares and/or equity shares through Depository Receipts and/or Convertible Bonds and/or securities convertible into equity shares, Foreign Currency Convertible Bonds, American Depository Receipts/Global Depository Receipts representing equity shares or convertible securities and/or securities with or without detachable/non-detachable warrants and/or any instrument or securities representing either equity shares and / or convertible securities linked to equity shares, with or without voting rights for an aggregate amount not exceeding ₹ 10,000 crores or its equivalent amount in such foreign currencies as may be necessary;
  - b. to increase of and alter the Authorised Share Capital of the Bank from ₹ 857,00,00,000 (Rupees Eight hundred and fifty-seven crores only) divided into 85,70,00,000 (Eighty-five crores seventy lakhs) Equity Shares of ₹ 10 each to ₹ 1000,00,00,000 (Rupees One thousand crores only) divided into 100,00,00,000 (One hundred crores) Equity Shares of ₹ 10 each by creation of 14,30,00,000 (Fourteen crores thirty lakhs) Equity Shares of ₹ 10 each, ranking pari-passu with the existing shares of the Bank and alteration of Clause V (Capital Clause) of the Memorandum of Association and Article 4 of the Articles of Association of the Bank;
  - c. to borrow / raise funds denominated in Indian Rupees or any other permitted Foreign Currency, by issue of debt securities including, but not limited to, Long Term Bonds, Green Bonds, Masala Bonds, Optionally Convertible Debentures, Non-Convertible Debentures, Medium Term Notes, Infrastructure Bonds, Tier 2 Capital Bonds, Perpetual Debt Instruments, AT 1 Bonds or such other debt securities as may be permitted under the RBI Guidelines, from time to time, on a Private Placement basis and / or for making offers and / or invitations thereof, and / or issue(s) / issuances thereof, on a Private Placement basis, in one or more tranches and / or series for an aggregate amount not exceeding ₹ 20,000 crores or its equivalent amount in such foreign currencies as may be necessary, in domestic and / or overseas markets within the overall borrowing limits of the Bank.
3. The Bank has issued and allotted 2,800 Rated, Listed, Non-Convertible, Subordinated and Unsecured Basel III Compliant Bonds in the nature of Debentures towards Non-Equity Regulatory Tier 2 Capital (T2 Bonds), for Face Value of ₹1,00,00,000 each for cash aggregating to ₹ 2,800 crores (Rupees Two thousand eight hundred crores only) on Private Placement basis on October 29, 2021.

**ALWYN JAY & Co.**  
**Company Secretaries**

Sd/-  
**[Alwyn D'Souza, FCS.5559]**  
[Partner]  
[Certificate of Practice No.5137]  
[UDIN : F005559D000643086]

Place : Mumbai  
Date : July 18, 2022

Office Address:  
Annex-103, Dimple Arcade,  
Asha Nagar, Kandivali (East),  
Mumbai 400101.

**Note:** This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

## 'Annexure A'

To  
The Members,  
**IndusInd Bank Ltd.**

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **IndusInd Bank Ltd.** (hereinafter called 'the Bank') is the responsibility of the management of the Bank. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Bank. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Bank, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further part of the verification was done on the basis of electronic data provided to us by the Bank due to COVID-19 Pandemic restrictions and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

**ALWYN JAY & Co.**  
**Company Secretaries**

Sd/-

**[Alwyn D'Souza, FCS.5559]**

[Partner]

[Certificate of Practice No.5137]

[UDIN : F005559D000643086]

Place : Mumbai

Date : July 18, 2022

Office Address:

Annex-103, Dimple Arcade,

Asha Nagar, Kandivali (East),

Mumbai 400101.

**ANNEXURE IV TO THE DIRECTORS' REPORT**

**Statutory Disclosures Regarding ESOPs ( Forming part of the Directors' Report for the year ended March 31, 2022)**

Sr. No.	Particulars	Total	ESOP 2020 Scheme						
			ESOP 2020 granted on 12.05.2021	ESOP 2020 granted on 15.09.2021	ESOP 2020 granted on 18.10.2021	ESOP 2020 granted on 07.01.2022	ESOP 2020 granted on 21.02.2022	ESOP 2020 granted on 24.03.2022	
1	No. of options granted	51,925,433	90,000	514,291	176,500	70,000	35,500	23,500	
2	No. of options surrendered (cancelled)	4,795,495	18,000	27,500	-	-	-	-	
3	Pricing Formula	Options granted at market price, except some options granted on July 18, 2008, January 28, 2010, February 7, 2011, January 29, 2014 and January 12, 2016 are at discount to market price							
4	No. of options Vested	9,085,239	-	-	-	-	-	-	
5	No. of options Exercised	34,530,012	-	-	-	-	-	-	
6	No. of shares arising as a result of exercise of options	34,530,012	-	-	-	-	-	-	
7	Options Lapsed	64,562	-	-	-	-	-	-	
8	Variation in terms of ESOP	N.A.	NA	NA	NA	NA	NA	NA	
9	Money realised by exercise of options (₹ in Lakhs)	8,442.84	-	-	-	-	-	-	
10	Total No. of Options in force	12,535,364	72,000	486,791	176,500	70,000	35,500	23,500	
11	Employee-wise details of options granted to:								
	(a) Key Managerial Personnel, i.e., Managing Director & CEO, Chief Financial Officer and Company Secretary	5,857,015	Mr. Gobind Jain*		22,500 (Exercise price 1,210)				
			Mr. S V Zaregaonkar**	26,515 (Exercise price 1,036.60)					
			Mr. Girish Koliyote***		10,000 (Exercise price 1,210)				
	(b) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year. (Refer Table A)	4,779,334	Arun Khurana	77,334 (Exercise price 1,036.60)					
	(c) Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Bank at the time of grant.	No such options granted to any employee.							
	Note to "Table A"								
	33% of these Options will vest on			15/09/2022					
	33% of these Options will vest on			15/09/2023					
	34% of these Options will vest on			15/09/2024					

\* Mr. Gobind Jain has assumed charge as the Chief Financial Officer of the Bank w.e.f. September 30, 2021.

\*\* Mr. S.V. Zaregaonkar stepped down as the Chief Financial Officer of the Bank w.e.f. closing hours of September 29, 2021.

\*\*\* Mr. Girish Koliyote was appointed as the Company Secretary and Key Managerial Personnel of the Bank w.e.f. November 27, 2021. Due to personal reasons, Mr. Girish Koliyote has resigned as the Company Secretary and Key Managerial Personnel of the Bank w.e.f. the close of business hours on Friday, June 17, 2022.

## ANNEXURE V TO THE DIRECTORS' REPORT

### The details pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- The ratio of the remuneration of each Director to the median remuneration of the employees of the Bank for the financial year 2021-22, is given below:

Name	Ratio
Mr. Sumant Kathpalia, Managing Director & CEO	170x
Mr. Arun Tiwari, Non-Executive Part-time Chairman	6.82x

#### Notes:

- The ratio pertains to the fixed remuneration of the KMP & Directors to the median fixed remuneration of the Bank's employees for FY22.
- The ratio of remuneration paid to Mr. Arun Tiwari, is based on payment of fixed remuneration, and does not include the Sitting Fees paid.

Details about Remuneration paid to the Managing Director & CEO are given in the Report on Corporate Governance, under the heading 'Compensation to Whole-time Directors', which forms an integral part of the Annual Report.

In addition to the Sitting Fees paid for attending the meetings of the Board and of various Committees of the Board, all Non-Executive Directors (other than the Chairman) received remuneration in the form of Fixed Remuneration of ₹10,00,000 per annum, in line with RBI Guidelines and on the basis of Members' approval.

The ratio of remuneration (excluding Sitting Fees) paid to Non-Executive Directors to the median remuneration of the employees of the Bank for the financial year 2021-22 is mentioned below:

Name of the Non-Executive Director	Ratio
Mr. Shanker Annaswamy	2.27x
Dr. T. T. Ram Mohan	2.27x
Mrs. Akila Krishnakumar	2.27x
Mr. Rajiv Agarwal	2.27x
Mr. Sanjay Asher	2.27x
Mrs. Bhavna Doshi	2.27x
Mr. Jayant Deshmukh*	1.56x

\*Mr. Jayant Deshmukh was appointed in the Bank's Board effective from July 24, 2021.

- Percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and the Company Secretary in the Financial Year:

Name	Percentage
Mr. Sumant Kathpalia, Managing Director & CEO	-#
Mr. S. V. Zaregaonkar, Chief Financial Officer	7.4%
Mr. Gobind Jain, Chief Financial Officer	*
Mr. Haresh Gajwani, Company Secretary**	4.6%
Mr. Girish Koliyote, Company Secretary	**

# - Approval for Fixed Pay FY 22 awaited from the RBI

\* - Mr. Gobind Jain was appointed as the Chief Financial Officer (CFO) of the Bank with effect from September 30, 2021.

\*\* Mr. Haresh Gajwani stepped down as the Company Secretary and Key Managerial Personnel of the Bank, with effect from November 26, 2021, in view of his impending superannuation on December 31, 2021. Mr. Girish Koliyote was appointed as the Company Secretary of the Bank with effect from November 27, 2021.

**The percentage increase in the median remuneration of employees in the Financial Year:**

The median of fixed remuneration of the employees in the financial year increased by about 6.8%.

The calculation of % increase in median of fixed remuneration of employees covers only those employees who received increments as a part of annual performance appraisal process for FY22.

- **The number of permanent employees on the rolls of the Bank:**

There were 33,582 employees on the rolls of the Bank as on March 31, 2022.

- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
  - All employees in the Bank are under Managerial Cadre, categorized into Grade Bands of Top Management, Senior Management, Middle Management and Junior Management. Hence, this section is not applicable to the Bank.
- We affirm that the remuneration paid to the Directors, Key Managerial Personnel (KMP) and Employees is as per the Compensation Policy of the Bank.

**Note:** Remuneration of KMPs is as per Form 16 (on an annualised basis), excluding Stock Options exercised in the financial year.

## ANNEXURE VI TO THE DIRECTORS REPORT

### 1. Brief outline on CSR Policy of the Bank:

IndusInd Bank believes in "Good Ecology is Good Economics" and will continue to create value for all the stakeholders and emerge as a "Best-in-Class" Bank that is committed to sustainable economic growth. It will be ensured that the Bank's business grows consistently and responsibly, benefitting those we serve directly while also promoting the well-being of our employees, our natural environment and the community at large. IndusInd Bank will support and design sustainable CSR programs, that primarily empower and benefit marginalized and weaker sections of the society, high risk and high-stressed communities.

The Bank is committed to running its business in a way that generates sustainable value for its customers, clients, shareholders and employees. The Bank recognizes its sphere of activity and influence extends beyond the boundaries of the financial system, it needs to work through various CSR initiatives. The Bank recognizes its ongoing commitment to engage with its stakeholders to be crucial and powerful tool for the way we conduct our business. The Bank will pursue a process of continuous improvement of its CSR policy & practices and shall be guided by the CSR Act/Rules as notified by the Ministry of Corporate Affairs.

The Bank adopted a portfolio approach, aligning with the CSR mission of designing sustainable CSR programs. The Bank has categorized its CSR spends into 3 categories or Programs:

- i) Flagship Program Holistic Rural Transformation – Long term programs with impact on economic empowerment of communities and improving efficiency in natural resource management
- ii) Strategic Projects – Mid-term programs covering Environment Sustainability, Education, Healthcare, Sports
- iii) Other area of Special Interest – These programs include Disaster Relief, Relief or Support during Public Health Emergencies, Relief or Support during National Emergencies or State Emergencies, Welfare of members of the Armed Forces and their families, Art, Culture and Heritage and any new area notified by the Ministry of Corporate Affairs from time to time.

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Akila Krishnakumar	Chairperson of the CSR Committee	3	3
2	Mr. Rajiv Agarwal	Member		3
3	Mr. Sanjay Asher	Member		3
4	Mr. Sumant Kathpalia, (Managing Director and CEO)	Managing Director and CEO		2

### 3. Provide weblink where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

Composition of CSR Committee: <https://www.indusind.com/in/en/csr-home/our-approach/meet-the-bank.html>

CSR Policy: <https://www.indusind.com/in/en/csr-home/our-approach/csr-policy.html>

CSR Projects: <https://www.indusind.com/in/en/csr-home/our-programmes.html>

### 4. Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, if applicable (attach the report)

As per the new CSR guidelines the impact assessment to be carried out for completed CSR project for fund outlay more than ₹ 1 crore and one year after closure. Accordingly, two projects qualified for Impact Assessment study. Apart from this, Sports programs which were more than 3 years and ongoing in nature have been included as well. External agencies were appointed for conducting Impact Assessment and the same has been completed. Details shall be disclosed on the website.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
	--	--	--

Note: This section is NA. No amount available for set-off

**6. Average net profit of the company as per section 135(5)**

₹ 5370.58 crores.

7. a) **Two percent of average net profit of the company as per section 135(5):** ₹ 1,07,41,15,937.80  
 b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL  
 c) **Amount required to be set off for the financial year, if any:** NIL  
 d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹ 1,07,41,15,937.80
8. (a) **CSR amount spent or unspent for the financial year:**

Total amount spent for the financial year (in ₹)	Amount unspent (in ₹)				
	Total amount transferred to unspent CSR account as per section 135(6)		Amount transferred to any fund specified under schedule VII as per second provision 135(5)		
	Amount (in ₹)	Date of transfer	Name of the Fund	Amount	Date of transfer
1,08,68,97,199.50	--	--	--	--	--

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR account for the project as per Section 135(6) (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1	Flagship Program- Holistic Rural Transformation	Livelihood Enhancement	Yes	Bihar	Begusarai	5	2,49,82,844	2,49,82,844		No	PRADAN	CSR00000973
2	Flagship Program- Holistic Rural Transformation	Livelihood Enhancement	Yes	Maharashtra	Osmanabad	5	2,50,00,000	2,50,00,000		No	Watershed Organisation Trust	CSR00000518
3	Flagship program designing and M&E	Livelihood Enhancement	Yes	Bihar, Maharashtra	Begusarai, Osmanabad	5	17,70,000	17,70,000		Yes	--	--

(1) Sl. No.	(2) Name of the project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local Area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial year (in ₹)	(9) Amount transferred to Unspent CSR account for the project as per Section 135(6) (in ₹)	(10) Mode of implementation - Direct (Yes/No)	(11) Mode of implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
4	Scholarship programme for engineering students	Promoting Education	Yes	Karnataka	Pan India	4	16,25,000	16,25,000		No	Foundation For Excellence (FFE)	CSR00002053
5	Ashoka University - Young India Fellowship	Promoting Education	Yes	Haryana	Sonepat	5	50,00,000	50,00,000		No	International Foundation for Research & Education	CSR00000712
6	Pragat - Road to School	Promoting Education	Yes	Karnataka	Gulbarga	4	1,32,00,000	1,32,00,000		No	Learning Links Foundation	CSR00000640
7	Road to School	Promoting Education	Yes	Odisha	Khurda	4	3,07,00,000	3,07,00,000		No	Learning Links Foundation	CSR00000640
8	Nai Disha School (PWD)	Promoting Education	Yes	New Delhi	Delhi	3	10,45,000	10,45,000		No	Tamana	CSR00001236
9	Early Learning and Language Program - Haryana Education	Promoting Education	Yes	Haryana	Sirsa, Fatehabad, Yamunanagar, Kurukshetra, Jind, Hisar	3	6,05,67,413	5,71,58,829		No	Language and Learning Foundation & Educational Initiatives	CSR00001229
10	Purkal- Educating the underprivileged	Promoting Education	Yes	Uttarakhand	Dehradun	1	66,50,000	66,50,000		No	Purkal Youth Development Society	CSR00001936
11	Single Teacher School	Promoting Education	Yes	Tamil Nadu	Coimbatore & Kanchipuram	3	30,00,000	30,00,000		No	Swami Vivekananda Rural Development Society	CSR00001905
12	Mid-Day Meal at Uttar Pradesh	Promoting Education	Yes	Uttar Pradesh	Lucknow and Vrindavan	1	2,00,00,000	2,00,00,000		No	The Akshaya Patra Foundation	CSR00000286
13	River water Harvesting	Ensuring Environmental Sustainability	Yes	West Bengal	Murshidabad	3	1,19,00,000	1,19,00,000		No	Ambuja Cement Foundation	CSR00006913
14	Roof Rainwater harvesting	Ensuring Environmental Sustainability	Yes	Rajasthan	Pali	1	2,25,00,000	2,25,00,000		No	Ambuja Cement Foundation	CSR00006913
15	Bala Vikasa Social Service Society (BVSS)	Ensuring Environmental Sustainability	Yes	Karnataka	Kalaburgi	4	77,28,669	77,28,669		No	Bala Vikasa Social Service Society (BVSS)	CSR00000313
16	Watershed Development	Ensuring Environmental Sustainability	Yes	Karnataka, Telangana, Andhra Pradesh, Tamil Nadu	Kalaburgi, North Canara, Yadari Bhongiri, Adilabad, Chittur, Thoothukudi, Thrichiriapalli,	3	3,39,00,000	3,39,00,000		No	Dhan Foundation	CSR00000273
17	Lake rejuvenation	Ensuring environmental sustainability	Yes	Tamil Nadu, Telangana	Tuticorin, Chidambaram, Chennai, Adilabad	2	2,00,00,000	2,00,00,000		No	Environmental Foundation of India (EFI)	CSR00002310

(1) Sl. No.	(2) Name of the project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local Area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial year (in ₹)	(9) Amount transferred to Unspent CSR account for the project as per Section 135(6) (in ₹)	(10) Mode of implementation - Direct (Yes/No)	(11) Mode of implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
18	Drain Restoration at Badshahpur	Ensuring Environmental Sustainability	Yes	Haryana	Gurugram	4	54,01,560	54,01,560		No	IAmGurgaon	CSR00000018
19	Springshed Management	Ensuring Environmental Sustainability	Yes	Odisha	Rayagada, Kandhamal, Kalahandi	6	1,43,20,000	1,43,20,000		No	LivoLink Foundation	applied
20	Pragat - Watershed	Ensuring Environmental Sustainability	Yes	Karnataka	Gulbarga	2	1,68,48,290	1,68,48,290		No	MYRADA	CSR00001099
21	Revival of water bodies and watershed	Ensuring Environmental Sustainability	Yes	Madhya Pradesh	Tikamgarh, Chhatarpur, Niwari	4	2,54,40,402	2,54,40,402		No	Self-Reliant Initiative through Joint Action (SRIJAN)	CSR00001911
22	Watershed Development	Ensuring Environmental Sustainability	Yes	Madhya Pradesh, Jharkhand, Maharashtra, Odisha	Chhindwara, Anuppur, Mandla, Osmanabad, Ganjam, Khunti	5	5,31,89,417	5,31,89,417		No	Watershed Organisation Trust	CSR00000518
23	Institutions on Solar	Ensuring Environmental Sustainability	Yes	Maharashtra, Gujarat	Pune, Anand	1	2,00,00,000	2,00,00,000		No	Centre for Environmental Research and Education	CSR00002529
24	Urban Afforestation	Ensuring Environmental Sustainability	Yes	Maharashtra, Tamil Nadu, Uttar Pradesh, Karnataka, Haryana, West Bengal, Telangana	Mumbai, Chennai, Gurugram, Kolkata, Delhi, Bengaluru, Aurangabad, Ghaziabad, Hyderabad.	1	2,00,00,000	2,00,00,000		No	Centre for Environmental Research and Education	CSR00002529
25	Comprehensive Healthcare for young and adolescent	Promoting health care including preventive health care	Yes	Telangana	Sangareddy, Rangareddy, Hyderabad, Jagital, Medak	2	2,00,00,000	2,00,00,000		No	Synergy India Foundation	CSR00000119
26	Mother and child healthcare	Promoting health care including preventive health care	Yes	Odisha	Raygada	3	1,22,00,000	1,22,00,000		No	Child in Need Institute	CSR00000494
27	Cancer Support at Assam	Promoting health care including preventive health care	Yes	Assam	Dibrugarh, Lakhimpur, Jorhat and Kokrajhar	3	2,07,00,000	2,07,00,000		No	Assam Cancer Care Foundation (Tata Trust)	CSR00025900
28	Support for children with cancer	Promoting health care including preventive health care	Yes	Rajasthan	Jaipur	1	1,00,00,000	1,00,00,000		No	Bhagwan Mahaveer Cancer Hospital and Research Centre	CSR00005954
29	Cancer treatment of children	Promoting health care including preventive health care	Yes	Maharashtra, Goa	Nagpur, Sangli and Goa	1	44,50,000	44,50,000		No	CanKids Kidscan	CSR00000341

(1) Sl. No.	(2) Name of the project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local Area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial year (in ₹)	(9) Amount transferred to Unspent CSR account for the project as per Section 135(6) (in ₹)	(10) Mode of implementation - Direct (Yes/No)	(11) Mode of implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
30	HIV Infected patients	Promoting health care including preventive health care	Yes	Maharashtra	Kolhapur	1	15,00,000	15,00,000		No	Lotus Medical Foundation	CSR00003421
31	Pediatric Congenital Heart Disease	Promoting health care including preventive health care	Yes	Haryana, Maharashtra, Chhattisgarh	Raipur, Thane, Palwal	1	3,75,00,000	3,75,00,000		No	Sri Sathya Sai Health & Education Trust	CSR00001048
32	Solid Waste Management	Ensuring Environmental Sustainability	Yes	Uttarakhand	Dehradun	1	40,00,000	40,00,000		No	Society for Uttaranchal Development & Himalayan Act	CSR00010429
33	Nurturing Rural Champions	training to promote rural sports	Yes	Maharashtra	Satara	1	36,80,000	36,80,000		No	Mann Deshi Foundation	CSR00001923
34	IndusInd Cricket for Blind	Paralympic sports	Yes	Karnataka	Pan India	1	1,80,00,000	1,80,00,000		No	Samarthanam Trust for the Disabled	CSR00000063
35	IndusInd Para Champions	Paralympic sports	Yes	Karnataka	Pan India	1	1,75,00,000	1,75,00,000		No	GoSports Foundation	CSR00002235
36	IndusInd Girl Power	training to promote rural sports	Yes	Karnataka	Pan India	4	3,28,62,719	3,28,62,719		No	Inspire Institute of Sports	CSR00000123
37	Hockey for Her Excellence	training to promote rural sports	Yes	Odisha	Bhubaneswar	3	2,31,13,051	2,31,13,051		No	Tata Education and Development Trust	CSR00003775
38	Dairy Farmers' livelihood Program	Livelihood Enhancement	Yes	Punjab	Sangrur	3	2,20,19,800	2,20,19,800		No	Social Action Foundation	CSR00005881
39	SARAL Skill Development	Enhancing vocational skills	Yes	Rajasthan	Pali	1	50,00,000	50,00,000		No	Ambuja Cement Foundation	CSR00006913
40	IndusInd Saksham - Assam Skill Program	Enhancing vocational skills	Yes	Assam	Guwahati	3	58,00,000	58,00,000		No	Anirban Rural Development Society	CSR00000708
41	Employment led training	Enhancing vocational skills	Yes	Andhra Pradesh, Telangana, Karnataka	Gadag, Chitradurga, Raichur, Dharwad, Mysuru, Haveri, RangaReddy, Mangalore, Koppal, Bagalkot, Krishna	3	2,15,02,244	2,15,02,244		No	The Association of People with Disability (APD)	CSR00001544
42	Ashoka University Hostel Support	Promoting Education	Yes	Haryana	Sonepat	5	3,00,00,000	3,00,00,000		No	International Foundation for Research & Education	CSR00000712

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR account for the project as per Section 135(6) (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
43	Skill Development of Drug Abused Youth	Enhancing vocational skills	Yes	Maharashtra	Palghar	1	10,49,750	10,49,750		No	SUPPORT (Society Undertaking Poor People's Onus for Rehabilitation)	CSR00002042
44	Project review and audit cost	Multiple	Yes	Pan India	Pan India	1	98,49,022	98,49,022		Yes	--	--
<b>Total</b>								<b>74,20,86,597</b>				

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Covid Support	Disaster Management & Relief	Yes	Karnataka, Tamil Nadu, Kerala, Telangana, Puducherry	Bangalore, Chennai, Trivandrum, Telangana, Puducherry	2,13,63,398	No	Samarthanam Trust for the Disabled	CSR00000063
2	Covid Support	Disaster Management & Relief	Yes	Bihar, West Bengal, Maharashtra	Kolkata, Madhubani, Palghar, Khandwa, Dum Dum	3,02,46,192	No	Inclusive India Foundation	CSR00003264
3	Covid Support	Disaster Management & Relief	Yes	Odisha	Raygada	28,69,226	No	Child In Need Institute	CSR00000494
4	Covid Support	Disaster Management & Relief	Yes	Odisha	Jaspur	1,06,00,000	No	Swasti	CSR00000549
5	Covid Support	Disaster Management & Relief	Yes	Himachal Pradesh	Hamirpur, Una, Bilaspur, Kangra, Mandi, Chamba	90,00,000	No	Nav Chetna	CSR00009294
6	Covid Support	Disaster Management & Relief	Yes	Maharashtra	Kolhapur	37,14,528	No	Ratna Nidhi Charitable Trust	CSR00000064
7	Covid Support	Disaster Management & Relief	Yes	Tamil Nadu, Kerala	Chennai, Trivandrum	88,79,125	No	Vision Spring Foundation	CSR00001721
8	Covid Support	Disaster Management & Relief	Yes	Maharashtra, Gujarat	Raigad, Gandhinagar	88,52,500	No	United Way of Mumbai	CSR00000762
9	Covid Support	Disaster Management & Relief	Yes	Karnataka	Raichur, Belgaum, Kalburgi, Koppal, Haveri, Bellary, Bangalore, Vijayapura	42,98,233	No	The Association Of People With Disability	CSR00001544

Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
10	Covid Support	Disaster Management & Relief	Yes	Maharashtra, Karnataka, Delhi, Telangana	Raigad, Bangalore, Delhi, Hyderabad	2,10,00,000	No	The Akshaya Patra Foundation	CSR00000286
11	Covid Support	Disaster Management & Relief	Yes	Maharashtra	Thane	31,70,000	No	Helping Hands Charitable Trust	CSR00004903
12	Covid Support	Disaster Management & Relief	Yes	Madhya Pradesh, Rajasthan, Bihar	Bhopal, Gwalior, Barwani, Jodhpur, Bikaner, Begusarai	4,35,72,581	No	Care India Solutions For Sustainable Development	CSR00000786
13	Covid Support	Disaster Management & Relief	Yes	Karnataka	Bangalore, Tumkur, Hosadurga	1,83,64,470	No	IPE Global Centre For Knowledge and Development	CSR00003895
14	Covid Support	Disaster Management & Relief	Yes	Punjab, Karnataka	Faridkot, Dharwad	2,24,77,710	No	Yuvraj Singh Foundation	CSR00000383
15	Covid Support	Disaster Management & Relief	Yes	Delhi NCR, Kerala, Maharashtra, Punjab	South Delhi, Central Delhi, West Delhi, Gautam Buddha Nagar, Ludhiana, Patiala, Ernakulam, Alleppy, Thrissur	2,55,94,570	No	CII Foundation	CSR00001013
16	Covid Support	Disaster Management & Relief	Yes	Maharashtra	Osmanabad	1,00,65,123	No	Piramal Swasthya Management and Research Institute	CSR00000217
17	Covid Support	Disaster Management & Relief	Yes	Uttarakhand	Dehradun, Haridwar, Gadarpur	59,31,444	No	Society For Uttaranchal Development and Himalayan Act	CSR00010429
18	Joy of Giving	Eradicating hunger, poverty and malnutrition	Yes	Maharashtra	Pan India	86,358	No	Goonj	CSR00000291
19	Supporting women on mushroom cultivation	Livelihood Enhancement	Yes	Maharashtra	Aurangabad	59,25,000	No	Nirman Bahuudheshiya Sanstha - Mushroom Cultivation	CSR00001988
20	Equipments for cataract operation	Promoting health care including preventive health care	Yes	Maharashtra	Mumbai	29,50,000	No	Baps Pramukh Swami Eye Hospital	CSR00004193
21	Affordable healthcare - Dialysis	Promoting health care including preventive health care	Yes	Maharashtra	Mumbai	20,00,000	No	Sri Shanmukhananda Fine Arts and Sangeetha Sabha	CSR00001777

Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
22	Support for 25 differently abled children	Promoting health care including preventive health care	Yes	Haryana	Faridabad	30,00,000	No	Aura Welfare Foundation	CSR00015011
23	Support of 15 HIV/Aids affected children	Promoting health care including preventive health care	Yes	Tamil Nadu	Chennai	22,00,000	No	Mellow Circle Prathyasha Trust	CSR00009801
24	To provide continued quality education to underprivileged slum children	Promoting Education	Yes	Maharashtra	Mumbai	15,00,000	No	Logic centre & community welfare Association (LCCWA)	CSR00003249
25	Support to PwD Children with Aids and Appliances	Promoting health care including preventive health care	Yes	Uttar Pradesh	Lucknow, Sitapura, Mathura	32,03,550	No	Perkins	CSR00013100
26	Reduction of one time plastic use	Ensuring Environmental Sustainability	Yes	Odisha	Kandhamal	93,97,500	No	Indus Tree Crafts Foundation	CSR00000571
27	Support for Training and distribution of Saarthi Smart Assistive Aids to Visually Impaired People	Promoting health care including preventive health care	Yes	Maharashtra	Mumbai, Nashik, Pune	28,35,000	No	Elixir Foundation	CSR00001799
28	Armed Forces Welfare	measures for the benefit of armed forces veterans, war widows and their dependents	Yes	Delhi	Pan India	1,00,00,000	No	Navy Wives Welfare Association	CSR00010984
29	Armed Forces Welfare	measures for the benefit of armed forces veterans, war widows and their dependents	Yes	Delhi	Pan India	50,00,000	No	Army Wives Welfare Association	CSR00001826
						<b>29,80,96,508</b>			

- 8d) **Amount spent in Administrative Overheads** : ₹4,51,16,699.00
- 8e) **Amount spent on Impact Assessment, if applicable** : ₹ 15,97,395.50
- 8f) **Total amount spent for the financial year (8b+8c+8d+8e)** : ₹ 1,08,68,97,199.50

## 8g) Excess amount for set-off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	1,07,41,15,937.80
(ii)	Total amount spent for the Financial Year	1,08,68,97,199.50
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1,27,81,261.70
(iv)	Surplus arising out of the CSR projects or programmes or activities or activities of the previous financial years, if any	-
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	1,27,81,261.70

## 9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	FY 2020-21	26,00,00,000	23,12,23,818	-	-	-	2,87,76,182
2	FY 2019-20	-	-	-	-	-	-
3	FY 2018-19	-	-	-	-	-	-
	<b>TOTAL</b>	<b>26,00,00,000</b>	<b>23,12,23,818</b>	-	-	-	<b>2,87,76,182</b>

## (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the project - Completed / Ongoing
1		Pragat Healthcare	2020-21	1	1,58,68,601.00	1,58,00,000.00	1,58,00,000.00	Ongoing
2		Watershed Development	2020-21	1	1,46,31,909.00	1,46,00,000.00	1,46,00,000.00	Ongoing
3		Sanjeevani	2020-21	1	5,67,00,000.00	4,14,87,819.00	4,14,87,819.00	Ongoing
4		Institutions on Solar	2020-21	1	40,63,000.00	40,63,000.00	40,63,000.00	Completed
5		Urban afforestation	2020-21	1	1,00,00,000.00	1,00,00,000.00	1,00,00,000.00	Completed
6		Nurturing Rural Champions	2020-21	1	14,00,000.00	14,00,000.00	14,00,000.00	Completed
7		Vivek Sanjeevani Access to Basic Healthcare	2020-21	1	75,08,000.00	75,08,000.00	75,08,000.00	Completed
8		Covid Contributions	2020-21	1	2,04,15,224.00	2,04,15,224.00	2,04,15,224.00	Completed

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the project - Completed / Ongoing
9		Ashoka University hostel building	2020-21	1	2,00,00,000.00	2,00,00,000.00	2,00,00,000.00	Completed
10		Kitchen for Mid-day meal	2020-21	1	5,41,13,266.00	4,06,49,775.00	4,06,49,775.00	Ongoing
11		Road to school	2020-21	1	2,28,00,000.00	2,28,00,000.00	2,28,00,000.00	Completed
12		Lake rejuvenation	2020-21	1	1,00,00,000.00	1,00,00,000.00	1,00,00,000.00	Completed
13		Pediatric Congenital Heart Disease	2020-21	1	2,25,00,000.00	2,25,00,000.00	2,25,00,000.00	Completed

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**

- a) Date of creation or acquisition of the capital asset (s)
- b) Amount of CSR spent for creation or acquisition of capital asset
- c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

**Note:** This section is NA. No creation of assets

**11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sanction 135(5).**

NA

Sd/-

**Sumant Kathpalia**  
Managing Director & CEO  
(DIN: 01054434)

Sd/-

**Akila Krishnakumar**  
Chairperson - CSR Committee  
(DIN: 06629992)

## CORPORATE GOVERNANCE

(The Report on Corporate Governance forms part of the Directors' Report for the Financial Year ended March 31, 2022.)

### **Bank's Philosophy on Corporate Governance**

The Bank believes that Corporate Governance is a reflection of its value system, encompassing its culture, its policies, and its relationships with the stakeholders. Responsible and ethical corporate conduct is integral to the way the Bank does its business.

The Bank also believes that consistent implementation of good corporate governance practices contributes towards developing and sustaining the best operating systems and processes.

Integrity, transparency and accountability are the basic tenets of Corporate Governance. The Bank acknowledges the need to uphold the integrity of every transaction it enters into, and believes that honesty in its internal conduct would be judged by its external behavior.

The Bank is committed to operate on commercial principles ensuring, at the same time, the need to remain accountable, transparent and responsive to its stakeholders and regulators.

The Bank's Corporate Governance philosophy has been strengthened through various policies and codes, which are regularly reviewed and updated on a regular basis to keep aligned with the Regulations.

The Board of Directors ("the Board") of the Bank comprises of eminent professionals having wide industry experience, diversified skills, special knowledge and expertise. The Board plays a crucial role in overseeing how the Management serves the short-term and long-term interests of various stakeholders of the Bank to create lasting value for them.

This belief is reflected in the Bank's governance practices, through which it is committed to maintain an effective and independent Board.

### **Certificate on compliance with the conditions of Corporate Governance**

In compliance to Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), certificate from M/s Alwyn Jay & Co., Practicing Company Secretaries, confirming compliance with the mandatory conditions relating to Corporate Governance as stipulated in the SEBI Listing Regulations, forms part of this report and is enclosed as **Annexure I**.

### **Certification by the Managing Director & CEO and the Chief Financial Officer**

In compliance with Regulation 17(8) of the SEBI Listing Regulations, certification by the Managing Director & CEO and the Chief Financial Officer of the Bank, on the Financial Statements and Internal Controls relating to financial reporting for the year ended March 31, 2022, has been obtained and placed before the Board.

### **Code of Ethics and Conduct for Directors and Senior Management**

In compliance with Regulation 26(3) of the SEBI Listing Regulations and the Companies Act, 2013, the Bank has formulated a 'Code of Ethics and Conduct for Directors and Senior Management' (The term 'Senior Management' means personnel of the Bank who are members of its Core Management Team, all personnel one level below the Managing Director & CEO, including all Functional Heads and the Key Managerial Personnel of the Bank).

The Bank has received confirmations from all its Directors and Senior Management personnel regarding compliance with the said Code for the financial year ended March 31, 2022. A declaration by the Managing Director & CEO to this effect is enclosed as **Annexure II** to this Report.

The Code of Ethics and Conduct for Directors and Senior Management of the Bank, which has been subjected to an annual review, has been hosted on the Bank's website ([www.indusind.com](http://www.indusind.com)).

#### **MISSION**

"We will consistently add value to all our stakeholders by enhancing the sustainability of the organization and emerge as India's most convenient Bank with financial metrics amongst the best in the industry."

#### **VISION**

"IndusInd Bank will be:

- A relevant business and banking partner to its clients.
- Engaged with all our stakeholders and will deliver sustainable and compliant growth and returns.
- Customer-responsive, striving at all times to collaborate with clients in providing solutions for their banking needs.
- A forerunner in the marketplace in terms of productivity, technology, efficiency and profitability; and
  - A change agent for financial inclusion in India.
  - An equal opportunity and preferred employer."

#### **QUALITY POLICY**

"IndusInd Bank is committed to meet and strive to exceed customer requirements through timely, error-free and responsive service. We shall continually improve the effectiveness of our work process through training, customer feedback, innovation and digitization."

## **Board of Directors**

The Board of the Bank is broad-based and consists of eminent persons from industry, having special knowledge or practical experience in respect of one or more of the following areas viz., Accountancy, Banking, Finance, Information Technology, Economics, Agriculture & Rural Economy and Co-operation, Business Development and Management, Small-Scale Industry, Human Resources, Risk Management, Payments & Settlement Systems, Law and Small Scale Industry, as prescribed under the relevant provisions of the Companies Act, 2013 and the relevant rules made thereunder, the SEBI Listing Regulations, the Banking Regulation Act, 1949 read with Circular No. DBR. Appt.BC. No.38 /29.39.001/2016-17 dated November 24, 2016, issued by the Reserve Bank of India ("RBI").

The Board is entrusted with formulation of policies, implementation of regulatory guidelines, setting up of directions, reviewing strategies, evaluating performance of the Bank, and has been vested with requisite powers. The Board has constituted various Committees to exercise oversight over the business segments and other matters, as mandated under the extant norms and as authorized by the Board, from time to time.

### **i. Board Composition**

The composition of the Board is in compliance with the relevant provisions of the Companies Act, 2013, the relevant rules made thereunder, the SEBI Listing Regulations, the Banking Regulation Act, 1949 read with Circular No. DBR. Appt.BC. No.38 /29.39.001/2016-17 dated November 24, 2016 and Circular No. RBI/2021-22/24/DOR .GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 on Corporate Governance in Banks – Appointment of Directors and Constitution of Committees of the Board issued by the RBI and in terms of the Board Diversity Policy of the Bank.

As on March 31, 2022, the Bank's Board comprised of nine Directors, viz., Mr. Arun Tiwari, Non-Executive Non-Independent Part-time Chairman, Mr. Sumant Kathpalia, Managing Director & CEO, and seven Directors in the category of Non-Executive Independent, viz., Mr. Shanker Annaswamy, Dr. T. T. Ram Mohan, Mrs. Akila Krishnakumar, Mr. Rajiv Agarwal, Mr. Sanjay Asher, Mrs. Bhavna Doshi and Mr. Jayant Deshmukh.

The composition of the Board represents an optimal mix of professionalism, knowledge, and experience.

#### **During the year under review:**

The Board at its meeting held on July 24, 2021 approved the appointment of Mr. Jayant Deshmukh as an 'Additional Director' in the category of 'Non-Executive, Independent Director' of the Bank, from July 24, 2021 and to hold office as such till the date of the 27<sup>th</sup> Annual General Meeting and as the 'Non-Executive Independent Director', for a period of four consecutive years from July 24, 2021.

The Bank's shareholders in their meeting held on August 26, 2021 had approved the appointment of Mr. Jayant Deshmukh as the 'Non-Executive Independent Director'.

#### **During the period April 1, 2022 until the date of this Report:**

The Board approved the appointment of Mr. Pradeep Udhas as an 'Additional Director' in the category of 'Non-Executive, Independent Director' of the Bank, from June 9, 2022 and to hold office as such till the date of the ensuing Annual General Meeting and as the 'Non-Executive Independent Director' for a period of four consecutive years from the said date, subject to the approval of the Shareholders.

The proposal for the said appointment of Mr. Pradeep Udhas as the Non-Executive, Independent Director of the Bank is being placed for the approval of the Shareholders of the Bank at the 28<sup>th</sup> Annual General Meeting to be held on August 19, 2022.

#### **Core skills / expertise / competence identified by the Board of Directors required for Bank's business:**

The Board of Directors have, in line with Section 10 A (2) and other relevant provisions of the Banking Regulation Act, 1949 and Circular No. DBR. Appt.BC. No.38 /29.39.001/2016-17 dated November 24, 2016 issued by RBI, identified the following core skills / experience / special knowledge / competencies required in the context of its businesses and sectors for the Bank to function effectively. The same are:

1. Accountancy;
2. Agriculture and Rural economy;
3. Banking;
4. Co-operation;
5. Economics;

6. Finance;
7. Law;
8. Small-Scale Industry;
9. Information Technology;
10. Payment & Settlement Systems;
11. Human Resources;
12. Risk Management;
13. Business Management; and
14. Any other matter the special knowledge of, and practical experience in, which would in the opinion of the Reserve Bank of India, be useful to a bank.

Professional information including skill / expertise / competencies / practical knowledge in respect of each of the Directors is furnished below:

Name of Director*	DIN	Nature of Directorship	Special Knowledge / Practical Experience	Occupation / Previous Employment
Mr. Arun Tiwari	05345547	Non-Executive, Non-Independent, Part-time Chairman	Banking, Finance, Human Resources, Risk Management and Business Management	Professional. Former CMD of Union Bank of India
Mr. Shanker Annaswamy	00449634	Non-Executive, Independent	Information Technology, Human Resources, Risk Management and Business Management	Professional. Former Managing Director of IBM India Pvt. Ltd
Dr. T. T. Ram Mohan	00008651	Non-Executive, Independent	Banking, Finance, Economics and Risk Management	Retired on January 31, 2021 as Professor – Finance & Accounting, IIM, Ahmedabad.
Mrs. Akila Krishnakumar	06629992	Non-Executive, Independent	Information Technology and Payments and Settlement Systems, Human Resources and Business Management	Professional.
Mr. Rajiv Agarwal	00336487	Non-Executive, Independent	Small Scale Industry	Industrialist
Mr. Sanjay Asher	00008221	Non-Executive, Independent	Law & Accountancy	Practicing Advocate. Senior Partner with M/s Crawford Bayley & Co.
Mrs. Bhavna Doshi	00400508	Non-Executive, Independent	Accountancy and Risk Management	Consultant: Advisory Services in the field of Taxation, Accounting, Corporate and regulatory matters.
Mr. Jayant Deshmukh	08697679	Non-Executive, Independent	Agriculture & Rural Economy and Co-operation	Retired as Director of Agriculture, Government of Maharashtra.
Mr. Pradeep Udhas	02207112	Additional Director' in the category of Non-Executive, Independent (w.e.f. June 9, 2022)	Finance, Technology and Business Management	Professional. Senior Advisor to KPMG India Chairman and CEO.
Mr. Sumant Kathpalia	01054434	Managing Director & CEO	Banking & Accountancy, Risk Management and Business Management	Previous role in the Bank: Head - Consumer Banking

**Note:**

\*Details of change in Directorships during the year are mentioned under the head 'Board Composition', forming part of this Report.

## ii. Attendance of Directors at meetings of the Board and 27<sup>th</sup> Annual General Meeting ('AGM')

During the financial year ended March 31, 2022, twenty-six meetings of the Board were held on: April 30, 2021, May 24, 2021, June 29, 2021, July 9, 2021, July 24, 2021, July 27, 2021, August 17, 2021, September 17, 2021, September 29, 2021, October 5, 2021, October 21, 2021, October 27, 2021, November 10, 2021, November 26, 2021, November 28, 2021, December 21, 2021, December 24, 2021, December 30, 2021, January 5, 2022, January 27, 2022, January 29, 2022, February 23, 2022, March 3, 2022, March 7 & 8 (adjourned), 2022, March 22, 2022, and March 30, 2022.

In the wake of COVID-19 pandemic and to adhere to the lockdown and social distancing norms, the Directors participated in the meetings of the Board and Committees held during the financial year 2021-22, through video conference. The meetings and agenda items taken up during the meetings complied with the Companies Act, 2013 and SEBI Listing Regulations read with various circulars issued by Ministry of Corporate Affairs (MCA), Securities Exchange Board of India, and the guidelines issued by RBI due to the COVID-19 pandemic.

Details of attendance at the Board meetings and at the 27<sup>th</sup> Annual General Meeting, other Directorships, and Memberships and Chairpersonships of Committees pertaining to each Director, as on March 31, 2022 are as follows:

Name of the Director*	Attendance at Board meetings (No. of meetings attended #)	Attendance at the 27 <sup>th</sup> AGM held on August 26, 2021 <sup>#</sup>	Number of other Directorships		No. of Committees of other companies in which Member \$ %	No. of Committees of other companies in which Chairpersonships \$ %
			Indian Public Limited Companies	Other Companies / LLPs~		
Mr. Arun Tiwari	23 / 26	✓	5	-	2	-
Mr. Shanker Annaswamy	26 / 26	✓	1	-	1	-
Dr. T. T. Ram Mohan	25 / 26	✓	-	-	-	-
Mrs. Akila Krishnakumar	25 / 26	✓	3	2	1	-
Mr. Rajiv Agarwal	26 / 26	✓	-	3	-	-
Mr. Sanjay Asher	21 / 26	✓	8	6	4	5
Mrs. Bhavna Doshi	24 / 26	Absent (**)	7	4	3	5
Mr. Jayant Deshmukh <sup>1</sup>	20 / 21	✓	-	-	-	-
Mr. Sumant Kathpalia	25 / 26	✓	1	-	-	-

### Notes:

- \* Details of Appointment / Retirement / Resignation of Directors during the year under review are mentioned under the head 'Board Composition'.
- # Includes attendance through videoconference.
- ~ Includes Directorships held in Foreign Companies, Private Limited Companies, Limited Liability Partnership (LLP) and Companies under Section 8 of the Companies Act, 2013 in India.
- \$ Pursuant to Regulation 26 of the SEBI Listing Regulations, for the purpose of considering the limit of Committees in which Directors are Members / Chairpersons, all Public Limited Companies, whether listed or not, have been included. Private Limited Companies, Foreign Companies, and Companies incorporated under Section 8 of the Companies Act, 2013 ('Not for Profit') have been excluded.
- % For the purpose of determination of the number of Committees of other companies, only Chairpersonships and Memberships of 'Audit Committee of Board' and the 'Stakeholders Relations Committee' have been considered.
- \*\* Mr. Rajiv Agarwal, member of the Stakeholders Relations Committee was available through video-conference to answer the queries of the Shareholders.

1. Mr. Jayant Deshmukh was appointed as 'Non-Executive, Independent Director' of the Bank w.e.f. July 24, 2021.

**Disclosure of Inter-se relationship:**

None of the Directors of the Bank are related to each other.

**Other Listed Entities in which the Bank's Directors hold Directorships and the category of their Directorships as on March 31, 2022:**

Name of Directors	Other Listed Entities in which he / she is a Director	Category of Directorship
Mr. Arun Tiwari	-	-
Mr. Shanker Annaswamy	-	-
Dr. T. T. Ram Mohan	-	-
Mrs. Akila Krishnakumar	Matrimony.com Ltd.	Non-Executive Independent Director
	Hitachi Energy India Ltd.	Non-Executive Independent Director
Mr. Rajiv Agarwal	-	-
Mr. Sanjay Asher	Sonata Software Ltd.	Non-Executive Independent Director
	Deepak Nitrite Ltd.	Non-Executive Independent Director
	Sudarshan Chemical Industries Ltd.	Non-Executive Independent Director
	Ashok Leyland Ltd.	Non-Executive Independent Director
	Tribhovandas Bhimji Zaveri Ltd.	Non-Executive Independent Director
	Meghmani Finechem Ltd.	Non-Executive Independent Director
Mrs. Bhavna Doshi	Sun Pharma Advanced Research Company Ltd.	Non-Executive Independent Director
	Everest Industries Ltd.	Non-Executive Independent Director
	Torrent Power Ltd.	Non-Executive Independent Director
	KPIT Technologies Ltd.	Non-Executive Independent Director
	Nuvoco Vistas Corporation Ltd.	Non-Executive Independent Director
Mr. Jayant Deshmukh	-	-
Mr. Sumant Kathpalia	-	-

**iii. Remuneration to Non-Executive Directors**

During the year under review, all the Non-Executive Directors, including the Non-Executive Non-Independent, Part-time Chairman of the Bank, were paid remuneration, in the form of sitting fees and fixed pay, in terms of the Circular for Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board issued by the Reserve Bank of India (RBI) dated April 26, 2021. The fixed remuneration paid to the Non-Executive Non-Independent, Part-time Chairman of the Bank, is in terms of the approval granted by the RBI.

No Stock Options were granted to Non-Executive Directors.

The sitting fees paid to the Non-Executive Directors of the Bank for participation in the meetings of the Board and the Committees thereof, held during the financial year ended March 31, 2022, are as under:

Particulars	Sitting Fees (in ₹)	Remarks
Board of Directors	1,00,000	For every meeting attended.
Audit Committee of the Board	50,000	For every meeting attended.
Committee of Directors	50,000	For every meeting attended.
Risk Management Committee	50,000	For every meeting attended.
For all other Board Committees	20,000	For every meeting attended.

Details of fixed remuneration paid to the Non-Executive Directors of the Bank in terms of RBI Circular No. RBI/2021-22/24/DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 on Corporate Governance in Banks – Appointment of Directors and Constitution of Committees of the Board and sitting fees paid to the Non-Executive Directors of the Bank, during the financial year 2021-22, are as under:

Name of Director	Fixed Remuneration Paid (in ₹)	Sitting Fees (in ₹)
Mr. Arun Tiwari	30,00,000	43,70,000
Mr. Shanker Annaswamy	10,00,000	40,60,000
Dr. T. T. Ram Mohan	10,00,000	40,50,000
Mrs. Akila Krishnakumar	10,00,000	30,80,000
Mr. Rajiv Agarwal	10,00,000	32,20,000
Mr. Sanjay Asher	10,00,000	42,50,000
Mrs. Bhavna Doshi	10,00,000	38,80,000
Mr. Jayant Deshmukh*	6,87,500	21,20,000

\*Mr. Jayant Deshmukh was appointed as the Non-Executive Independent Director of the Bank, with effect from July 24, 2021.

**Notes:**

- The amount of Fixed Remuneration and Sitting Fees mentioned above is inclusive of taxes.
- None of the Non-Executive Directors has any other pecuniary interest in the Bank.

**iv. Remuneration paid to Managing Director & CEO**

Appointment / Re-appointment of the Managing Director & CEO and the terms and conditions relating to his appointment/ re-appointment, including remuneration, is subject to the prior approval of the RBI and the Shareholders of the Bank.

**Mr. Sumant Kathpalia, Managing Director & CEO:**

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of the Bank had approved the appointment of Mr. Sumant Kathpalia as the 'Managing Director & CEO' of the Bank, for a period of three years, with effect from March 24, 2020. The said appointment was approved by the RBI on February 27, 2020 and thereafter by the Shareholders at the 26<sup>th</sup> Annual General Meeting held on September 25, 2020.

Details of the remuneration paid to Mr. Sumant Kathpalia as the Managing Director & CEO of the Bank, during the Financial Year 2021-22 are as under:

Particulars of Remuneration		Amount (per annum)
Salary (per annum)	:	₹ 1,66,71,636
Other Allowances	:	₹ 5,43,41,388
Provident Fund	:	₹ 20,00,596 (12% of Basic Salary)
Leave Fare Concession	:	₹ 1,00,000

Particulars of Remuneration		Amount (per annum)
Statutory Bonus	:	₹ 28,800
Medical Reimbursement	:	₹ 15,000
Gratuity	:	₹ 8,01,906 (15 days of Basic Salary)
Mediclaime	:	₹ 10,700 (Mediclaime for self and family members insurance value)
Total Fixed Pay (including perquisites)	:	₹ 7,50,00,000

During FY 2021-22, Mr. Sumant Kathpalia exercised 66,000 Stock Options.

Note: During F.Y. 2021-22, Mr. Sumant Kathpalia was paid remuneration as approved by the RBI for the period March 24, 2020 until March 31, 2021. The Bank received approval of the RBI on June 10, 2022 for variable pay of ₹ 3,75,00,000 to Mr. Kathpalia for F.Y.2020-21. Variable pay comprised of 50% each of Cash component and Non-Cash component (share-linked instruments). Cash component included deferred payment of 50% with vesting period of three years, whereas entire non-cash component (share-linked instruments) has vesting period of 3 years. The Bank has submitted its proposal to the RBI, for approval of the total remuneration to be paid to Mr. Kathpalia for F.Y.2021-22 and the approval is awaited.

#### v. **Directors' Shareholding**

The details of equity shares of the Bank held by the Directors of the Bank, as on March 31, 2022, are as under:

- |       |                      |                           |
|-------|----------------------|---------------------------|
| (i)   | Dr. T. T. Ram Mohan  | : 3,800 shares (0.00%)    |
| (ii)  | Mr. Sanjay Asher     | : 11,200 shares (0.00%)   |
| (iii) | Mr. Sumant Kathpalia | : 5,54,818 shares (0.07%) |

None of the Directors of the Bank holds shares in the Bank for other person(s), on a beneficial basis. Further, no Director holds any other securities, issued by the Bank.

#### vi. **Details of Directors retiring by rotation and those being appointed/ re-appointed at the 28<sup>th</sup> Annual General Meeting (AGM)**

##### (a) **Retirement by Rotation**

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013, Mr. Sumant Kathpalia (DIN: 01054434), Managing Director & CEO of the Bank is liable to retire by rotation, and being eligible, has offered himself for re-appointment at the ensuing AGM.

##### (b) **Appointment of Additional Director in the category of Non-Executive, Independent of the Bank:**

Pursuant to the recommendation of the Compensation and Nomination & Remuneration Committee, the Board approved the appointment of Mr. Pradeep Udhas (DIN: 02207112) as the 'Additional Director' in the category of 'Non-Executive, Independent Director' of the Bank, with effect from June 9, 2022 and to hold office as such till the date of the ensuing Annual General Meeting and as the 'Non-Executive Independent Director' of the Bank, for a period of four consecutive years, from the said date.

##### (c) **Reappointment of Director in the category of Non-Executive, Independent Director of the Bank:**

Mrs. Akila Krishnakumar (DIN: 06629992) was appointed as the Non-Executive, Independent Director of the Bank, for a period of four consecutive years, with effect from August 10, 2018 up to August 9, 2022 (both days inclusive).

Mrs. Akila Krishnakumar's appointment as the Non-Executive, Independent Director of the Bank, was approved by the Shareholders at the 25<sup>th</sup> Annual General Meeting held on August 16, 2019.

Pursuant to the recommendation of the Compensation and Nomination & Remuneration Committee of Directors, the Board of Directors at its meeting held on July 18, 2022, approved the re-appointment of Mrs. Akila

Krishnakumar as the Non-Executive, Independent Director of the Bank, for her second term of four consecutive years, with effect from August 10, 2022 up to August 9, 2026 (both days inclusive), subject to the approval of the Shareholders of the Bank.

Approval of the Shareholders is being sought for the re-appointment of Mrs. Akila Krishnakumar as Non-Executive Independent Director of the Bank, by means of a Special Resolution at the ensuing 28<sup>th</sup> Annual General Meeting.

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of the said Directors seeking appointments/reappointment, are given in the Statement to the Notice convening the AGM.

Resolutions seeking shareholders' approval for the said appointments is part of the Notice convening the AGM to be held on August 19, 2022.

## **vii. Committees of the Board**

The Board has constituted the following Committees viz. Audit Committee, Committee of Directors, Compensation and Nomination & Remuneration Committee, Customer Service Committee, Corporate Social Responsibility and Sustainability (CSR&S) Committee, Finance Committee, I.T. Strategy Committee, Inquiry Committee, Risk Management Committee, Review Committee - Non-Cooperative Borrowers and Wilful Defaulters, Stakeholders' Relations Committee, Special Committee of the Board (for monitoring large value Frauds) and Vigilance Committee, to take decisions and monitor the activities falling within their terms of reference. Each of the said Committees have the requisite expertise to handle issues relevant to their fields. The said Committees devote considerable time and afford focused attention to various issues placed before them. The guidance provided by the said Committees have enhanced the overall quality of decision-making process of the Board.

The Board reviews the functioning of the said Committees, at-least on an annual basis. The meetings of the said Committees are convened by the respective Chairperson, who also apprises the Board on the key discussions taken at the meetings of the Committee.

Minutes of the meetings of the said Committees are placed for noting of the Board.

The constitution, terms of reference and the functioning of the existing Committees of the Board are as follows:

### **1. Audit Committee of the Board**

#### **Terms of reference:**

#### **(A) Powers:**

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside Legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary;
5. To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

#### **(B) Role:**

1. Oversight of the company's Financial Reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
2. Recommendation to the Board for appointment, remuneration and terms of appointment of Auditors;
3. Approval of payment to Statutory Auditors for any other services rendered by them;

4. Reviewing, with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in Accounting Policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by Management;
  - (d) Significant adjustments made in the Financial Statements arising out of audit findings;
  - (e) Compliance with Listing and other Legal requirements relating to Financial Statements;
  - (f) Disclosure of any Related Party Transactions;
  - (g) Modified opinion(s) in the draft audit report;
5. Reviewing, with the Management, the quarterly Financial Statements before submission to the Board for approval;
6. Reviewing, with the Management, the Statement of Uses / Application of Funds raised through an issue (Public Issue, Rights Issue, Preferential Issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer Document / Prospectus / Notice and the Report submitted by the monitoring agency monitoring the utilisation of proceeds of a Public or Rights Issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of Inter-Corporate Loans and Investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of Internal Financial Controls and Risk Management Systems;
12. Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems;
13. Reviewing the adequacy of Internal Audit Function, if any, including the structure of the Internal Audit Department, staffing and seniority of the Official heading the department, reporting structure coverage and frequency of Internal Audit;
14. Discussion with Internal Auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board;
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
  22. Reviewing all matters as specified by RBI in the Circular on Calendar of Reviews as per RBI Circular dated November 2010 and notifications, if any, issued from time to time in this regard;
  23. Reviewing Concurrent Audit System of the Bank (including appointment of Concurrent Auditor(s) and their tenure, Scope of Audit, Remuneration to external concurrent auditors);
  24. Quarterly review containing important features brought out during concurrent audits, finding and an annual appraisal/report of the audit system;
  25. To provide directions on any penal action to be initiated, in case of any violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct formulated under the said Code by any person;
  26. To note and take on record the status reports, as submitted by the Compliance Officer at least once in a financial year;
  27. Regularly review compliance functions in strict accordance with extant guidelines on the subject;
  28. Review Report containing cases of attempted fraud involving ₹25 lakhs or more;
  29. Yearly consolidated review of attempted fraud cases detected during the year as on March 31 every year within three months from the end of the relative year;
  30. Review of quarterly audit notes on KYC / AML;
  31. Review of wilful default cases;
  32. In case of investment in shares, the surveillance and monitoring of investment by way of review of the total exposure of the Bank to capital market both fund based and non-fund based, in different forms and ensure that adequate risk management and internal control systems are in place;
  33. To keep the Board informed about the overall exposure to capital market, the compliance with the Reserve Bank and Board guidelines, adequacy of risk management and internal control systems;
  34. Quarterly review of Legal Audits of Title Documents in respect of Large Value Loan Accounts (Exposure of ₹5 crores and above);
  35. Refer to the Internal Ombudsman in respect of cases mentioned under Clause 8(2)(a) of the Ombudsman Scheme pertaining to complaints related to frauds and misappropriation.
- (C) Review of following information (Scope):
1. Management Discussion and Analysis of financial condition and results of operations;
  2. Review the financial statements, in particular, the investments made by the unlisted subsidiary;
  3. Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by Management;
  4. Management Letters / Letters of Internal Control weaknesses issued by the Statutory Auditors;
  5. Internal Audit Reports relating to internal control weaknesses; and
  6. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

## 7. Statement of deviations:

- (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing of Obligations and Disclosure Requirements), 2015 ('LODR').
- (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of LODR.

**Composition :** As on March 31, 2022, the Audit Committee comprised of three members, viz., Mrs. Bhavna Doshi (Chairperson), Mr. Sanjay Asher, and Mr. Shanker Annaswamy.

**Meetings :** The Audit Committee met seventeen times during the financial year 2021-22: On April 30, 2021, May 6, 2021, June 28, 2021, July 8, 2021, July 9, 2021, July 20, 2021, July 27, 2021, September 27, 2021, October 27, 2021, November 23, 2021, November 26, 2021, December 13, 2021, December 20, 2021, January 10, 2022, January 29, 2022, February 22, 2022 and March 14, 2022.

The Audit Committee of the Board is entrusted with the responsibility of supervising the Bank's internal controls and financial reporting process. The composition, quorum and terms of reference of the Committee are in accordance with Section 177 of the Companies Act, 2013, guidelines issued by the Reserve Bank of India and the provisions of Regulation 18 of the SEBI Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, etc.

The details of attendance of the members at the meetings of the Audit Committee of Board, held during the financial year 2021-22, are as under:

Members	Number of Meetings attended (includes attendance through video conference)	Remarks
Mrs. Bhavna Doshi	17/17	Appointed as Chairperson of the Committee w.e.f. from October 1, 2021.
Mr. Shanker Annaswamy	17/17	-
Mr. Arun Tiwari	8/8	Stepped down from the membership of the Audit Committee of Board, effective from closing hours of September 30, 2021.
Mr. Sanjay Asher	16/17	Ceased to be the Chairperson of the Committee effective from closing hours of September 30, 2021.

## 2. Committee of Directors

### Terms of Reference :

1. Sanction of Credit proposals in line with the powers delegated by the Board;
2. Noting of control returns on advances sanctioned by Executive Credit Committee (ECC);
3. Power to change the constitution of the ECC as per the Board approved Delegation of Power.
4. Review and noting of Irregularities (Financial Overdues) in Accounts on quarterly basis;
5. Review exposure to Capital Market on a Monthly basis and Large Groups on an annual basis;
6. Exercising all or any powers, on behalf of the BOD, not specifically covered above, except as required per Legal/ Statutory / Regulatory directions.
7. Annual Review of Policy on Exposures to Holding Companies.

8. Noting the position of Takeover Accounts (CCBG Segment) on a quarterly basis.
9. Noting observations by the RBI in the Risk Assessment Report (RAR) on any agenda items.
10. Review and noting of NPA to advances ratio for sanctions granted by Committee of Directors and by other authorities on a half yearly basis.
11. Half yearly compliance report on Sec 19(2) of the Banking Regulation Act, 1949 pertaining to Restrictions on holding shares of companies by the Bank.

**Composition :** As on March 31, 2022, the Committee of Directors comprised of four members, viz., Mr. Arun Tiwari (Chairman), Dr. T. T. Ram Mohan, Mr. Sanjay Asher and Mr. Sumant Kathpalia.

**Meetings :** The Committee of Directors met twenty-two times during the financial year 2021-22: On May 10, 2021, May 27, 2021, June 8, 2021, June 22, 2021, June 28, 2021, August 9, 2021, September 13, 2021, September 22, 2021, September 28, 2021, October 13, 2021, November 16, 2021, November 30, 2021, December 10, 2021, December 23, 2021, December 29, 2021, January 17, 2022, February 11, 2022, February 24, 2022, March 8, 2022, March 15, 2022, March 25, 2022 and March 28, 2022.

The details of attendance of the members at the meetings of the Committee of Directors, held during the financial year 2021-22, are as under:

Members	Number of Meetings attended (includes attendance through video conference)	Remarks
Mr. Arun Tiwari	22/22	-
Dr. T. T. Ram Mohan	22/22	-
Mr. Sanjay Asher	17/22	-
Mr. Sumant Kathpalia	18/22	-

### 3. Compensation and Nomination & Remuneration Committee

#### A. Compensation Committee

The Board had approved the merger of 'Compensation Committee' and 'Nomination and Remuneration Committee' and is re-christened it 'Compensation and Nomination & Remuneration Committee, effective from October 1, 2021.

**Composition :** As on September 30, 2021, the Compensation Committee comprised of three members, viz., Mrs. Akila Krishnakumar (Chairperson), Mr. Rajiv Agarwal and Mr. Sanjay Asher.

**Meetings :** The Compensation Committee met twice during the financial year 2021-2022: On May 12, 2021 and September 15, 2021.

The details of attendance of the members at the meetings of the Compensation Committee, held during the financial year 2021-22, are as under:

Members	Number of meetings attended (includes attendance through video conference)	Remarks
Mrs. Akila Krishnakumar	2 / 2	-
Mr. Rajiv Agarwal	2 / 2	-
Mr. Sanjay Asher	1 / 2	-

**B. Nomination & Remuneration Committee**

The Board had approved the merger of 'Compensation Committee' and 'Nomination and Remuneration Committee' and is rechristened to 'Compensation and Nomination and Remuneration Committee effective from October 1, 2021.

**Composition :** As on September 30, 2021, the Nomination & Remuneration Committee comprised of four members, viz., Mrs. Akila Krishnakumar (Chairperson), Mr. Arun Tiwari, Mr. Rajiv Agarwal and Mr. Sanjay Asher.

**Meetings :** The Nomination & Remuneration Committee met four times during the financial year 2021-2022: On May 10, 2021, July 21, 2021, August 5, 2021 and September 2, 2021.

The details of attendance of the members at the meetings of the Nomination & Remuneration Committee, held during the financial year 2021-22, are as under:

Members	Number of meetings attended (includes attendance through video conference)	Remarks
Mrs. Akila Krishnakumar	4/4	-
Mr. Arun Tiwari	4/4	-
Mr. Rajiv Agarwal	4/4	-
Mr. Sanjay Asher	4/4	-

**C. Compensation and Nomination & Remuneration Committee**

The Board had approved the integration of 'Compensation Committee' and 'Nomination and Remuneration Committee' and re-named as 'Compensation and Nomination & Remuneration Committee, effective from October 1, 2021. The terms of reference were also integrated, as under.

**Terms of reference:****For 'Employee Stock Options / Compensation related' matters:**

The Committee's role is to approve the issuance of Stock Options to employees under the Employees Stock Option Scheme 2020 and IBL Special Incentive ESOS for BFIL Merger 2018.

**For 'Nomination' matters:**

- To examine the qualification, knowledge, skillsets and experience and identify persons who are qualified to be appointed / re-appointed as Director vis-à-vis the Bank's requirements and their effectiveness to the Board;
- To review the structure, size, composition, diversity of the Board and make necessary recommendations to the Board;
- Formulate and review the Policy on Board Diversity;
- To evaluate the succession planning process adopted by the Bank and suggest suitable course of action, if any, relating to vacancies that would be required to be filled at Board level on account of retirement / resignation / expiry of term of Directors, including Chairman;
- To formulate criteria and specify the manner for effective evaluation of performance of the Board, its Committees and individual Directors; to be carried out either by the Board, the Nomination & Remuneration Committee or by an external independent agency and review its implementation and compliance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

7. To determine whether to extend or continue the tenure of appointment of the Independent Directors, on the basis of the report of Performance Evaluation of Independent Directors;
8. To conduct due diligence as to the credentials of any Director before his / her appointment, and making appropriate recommendations to the Board, in consonance with the Dr. Ganguly Committee recommendations and the requirements of RBI;
9. To identify persons who may be appointed in Senior Management position of the Bank, in accordance with the criteria laid down along with all remuneration, in whatever form, payable to senior management and recommend their appointment and removal for the approval of the Board;
10. To confirm that the Directors recommended to the Board for appointment in the category of 'Non-Executive Independent Director' fulfill the conditions specified under the Companies Act, 2013 and the Listing Regulations and that they are independent of the management;
11. To determine the quantum of the "Directors and Officers Insurance" (D & O insurance) and risks for all Directors (including Independent Directors) and recommend to the Board of Directors for approval.

**For 'Remuneration and HR' matters:**

1. To oversee the framing, review and implementation of the Compensation Policy of the Bank for Whole-time Directors / Chief Executive Officers / Key Managerial Personnel / Risk-Takers and Control Function Staff towards ensuring effective alignment between remuneration and risks;
2. To determine, on behalf of the Board, the Bank's Policy on Remuneration packages for Executive Directors, including Pension, etc.;
3. To review the talent management and succession policy and processes in the Bank for ensuring business continuity, especially at the levels of Managing Director & CEO, and Senior Management, and other key roles of the Bank;
4. Policy for Top-level Executives, one level below the Managing Director and Chief Executive Officer (Members of the Core Executive Team); and
5. To review the HR strategy, Performance Appraisal process, fundamental changes in the Organization Structure, Training and the overall HR function.

**Composition :** As on March 31, 2022, the Compensation and Nomination & Remuneration Committee comprised of four members, viz., Mrs. Akila Krishnakumar (Chairperson), Mr. Rajiv Agarwal, Mr. Sanjay Asher, and Mr. Arun Tiwari.

**Meetings :** The Compensation and Nomination & Remuneration Committee met seven times during the financial year 2021-2022: On October 18, 2021, December 15, 2021, December 23, 2021, January 3, 2022, January 7, 2022, February 21, 2022 and March 24, 2022.

The details of attendance of the members at the meetings of the Nomination & Remuneration Committee, held during the financial year 2021-22, are as under:

Members	Number of meetings attended (includes attendance through video conference)	Remarks
Mrs. Akila Krishnakumar	7/7	-
Mr. Arun Tiwari	5/7	-
Mr. Rajiv Agarwal	7/7	-
Mr. Sanjay Asher	7/7	-

#### 4. Customer Service Committee

**Terms of reference :** The Committee's function is to monitor the quality of customer service extended by the Bank, and to review the needs of customers.

**Composition :** As on March 31, 2022, the Customer Service Committee comprised of five members, viz., Mrs. Akila Krishnakumar (Chairperson), Dr. T. T. Ram Mohan, Mr. Rajiv Agarwal, Mr. Jayant Deshmukh and Mr. Sumant Kathpalia.

**Meetings :** The Customer Service Committee met three times during the financial year 2021-2022 : On October 25, 2021, December 22, 2021 and February 17, 2022

The details of attendance of the members at the meetings of the Customer Service Committee, held during the financial year 2021-22, are as under:

Members	Number of meetings attended (includes attendance through video conference)	Remarks
Mrs. Akila Krishnakumar	3/3	Appointed as Chairperson of the Committee with effect from October 1, 2021.
Dr. T. T. Ram Mohan	3/3	Ceased to be Chairman of the Committee with effect from closing hours of September 30, 2021.
Mr. Rajiv Agarwal	3/3	-
Mr. Jayant Deshmukh	3/3	Inducted as member in the Committee w.e.f. October 1, 2021.
Mr. Sumant Kathpalia	3/3	-

#### 5. Corporate Social Responsibility and Sustainability (CSR&S) Committee

**Terms of reference :**

1. Formulation and recommendation to the Board, a Corporate Social Responsibility strategy of the Bank, including the Corporate Social Responsibility Policy ('CSR Policy') which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 as amended from time to time ('the Act');
2. Monitoring the CSR Policy of the Bank from time to time;
3. Recommending the amount of expenditure to be incurred on the activities in accordance with Section 135(5) of the Act;
4. Instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken;
5. Agree, Review and Evaluate sustainably strategy of the Bank;
6. Review and evaluate sustainability performance of the Bank;
7. Provide industry perspective to overall sustainability agenda of the Bank.

**Composition :** As on March 31, 2022, the Corporate Social Responsibility and Sustainability Committee comprised of four members, viz., Mrs. Akila Krishnakumar (Chairperson), Mr. Rajiv Agarwal, Mr. Sanjay Asher and Mr. Sumant Kathpalia.

**Meetings :** The Corporate Social Responsibility and Sustainability Committee met thrice during financial year 2021-2022: On June 3, 2021, September 13, 2021 and March 17, 2022.

The composition of the CSR & S Committee is in compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Bank's CSR Policy has been hosted on the Bank's website at:

<https://www.indusind.com/content/dam/indusind-corporate/generic/CSR-Policy.pdf>

The details of attendance of the members at the meetings of the CSR & S Committee, held during the financial year 2021-22, are as under:

The attendance details of the members are as under:

Members	Number of meetings attended (includes attendance through video conference)	Remarks
Mrs. Akila Krishnakumar	3/3	-
Mr. Rajiv Agarwal	3/3	-
Mr. Sanjay Asher	3/3	-
Mr. Sumant Kathpalia	2/3	-

## 6. Finance Committee

### Terms of reference :

1. The Committee's role is to decide on the appropriate mode of raising of capital;
2. to finalise, settle, approve or agree to terms and conditions including the pricing for the said capital-raising programme;
3. finalise, settle, approve, and authorise the executing of any document, deed, writing, undertaking, guarantee or other papers (including any modification thereof) in connection with the capital-raising programme and authorise the affixing of the Common Seal of the Bank, if necessary thereto in accordance with the provisions of Articles of Association of the Bank;
4. to appoint and to fix terms and conditions of merchant bankers, investment bankers, lead or other managers, advisors, solicitors, agents or such other persons or intermediaries as may be deemed necessary for the capital-raising programme;
5. to do all such things and deal with all such matters and take all such steps as may be necessary to give effect to the resolution for raising of capital and to settle / resolve any question or difficulties that may arise with regard to the said programme.

**Composition :** As on March 31, 2022, the Finance Committee comprised of four members, viz., Mr. Rajiv Agarwal (Chairman), Mr. Arun Tiwari, Mrs. Bhavna Doshi and Mr. Sumant Kathpalia.

**Meetings :** The Finance Committee met twice during the financial year 2021-2022: On October 14, 2021 and October 29, 2021.

The details of attendance of the members at the meetings of the Finance Committee, held during the financial year 2021-22, are as under:

Members	Number of meetings attended (includes attendance through video conference)	Remarks
Mr. Rajiv Agarwal	2/2	-
Mr. Arun Tiwari	2/2	-
Mrs. Bhavna Doshi	2/2	-
Mr. Sumant Kathpalia	2/2	-

## 7. I.T. Strategy Committee

**Terms of reference:** The Committee conducts Board-level overview of aligning Information Technology with the business strategy of the Bank, aimed at offering better service to customers, improved risk management, and superior performance.

**Composition:** As on March 31, 2022, the I.T. Strategy Committee comprised of three members, viz., Mr. Shanker Annaswamy (Chairman), Mrs. Akila Krishnakumar and Mr. Sumant Kathpalia.

**Meetings:** The I.T. Strategy Committee met four times during the financial year 2021-2022: On May 28, 2021, September 28, 2021, November 17, 2021 and February 17, 2022.

The details of attendance of the members at the meetings of the IT Strategy Committee, held during the financial year 2021-22, are as under:

Members	Number of meetings attended (includes attendance through video conference)	Remarks
Mr. Shanker Annaswamy	4/4	-
Mrs. Akila Krishnakumar	4/4	-
Mr. Sumant Kathpalia	4/4	-

## 8. Inquiry Committee

The Inquiry Committee of the Board was constituted on July 9, 2022. The Members of the Committee are:

Mr. Sanjay Asher;

Mr. Shanker Annaswamy; and

Mrs. Bhavna Doshi.

**Terms of reference:**

- To oversee the compliance of the Leakage Policy;
- To deal with any leak of UPSI or suspected leak of UPSI, upon becoming aware of such leak;
- To conduct inquiries as laid out in Leakage Policy in case of leaks or suspected leaks and inform the Board promptly of such leaks, inquiries and result of such inquiries;
- To report the incident of actual or suspected leak of UPSI to SEBI.

**Composition :** As on March 31, 2022, the Inquiry Committee comprised of three members, viz., Mr. Sanjay Asher (Chairman), Mr. Shanker Annaswamy and Mrs. Bhavna Doshi.

**Meetings :** The Inquiry Committee met once during the financial year 2021-2022: On March 24, 2022.

The details of attendance of the members at the meetings of the Inquiry Committee, held during the financial year 2021-22, are as under:

Members	Number of Meetings attended (includes attendance through video conference)	Remarks
Mr. Sanjay Asher	1/1	-
Mr. Shanker Annaswamy	1/1	-
Mrs. Bhavna Doshi	1/1	-

## 9. Risk Management Committee

### Terms of reference :

1. Frame, implement and review the Enterprise-wide Risk Management Framework for the Bank including Risk Appetites and its quarterly monitoring;
2. Periodically review and annually update the Risk Management policies covering Credit Risk, Market Risk, Assets-Liabilities Management, Operational Risk, BCP Policy and any other policy/product programmes pertaining to risk management department / Bank;
3. Formulate and annually review Internal Capital Adequacy Assessment Process (ICAAP);
4. Formulate and establish risk management practices that include measures around likelihood and impact and risk categories in alignment with Bank's policies;
5. Credit Portfolio Management Analysis, other reviews and Sector Reviews;
6. Review validation of Credit Risk models, Market Risk models, and the effectiveness of all systems used for calculating Market Risk;
7. Formulate and review of Risk practices in line with Basel II / III guidelines such as CRAR, RWA computation, Internal rating models, etc.;
8. Formulate and review frameworks for Strategic Risk, Reputation risk, etc.;
9. Formulate, monitor and review the implementation of Operational Risk Management Framework and validation of related models;
10. Formulate, monitor and review the implementation of ALM frameworks in Bank, namely, Structural Liquidity Statements, Liquidity Coverage Ratio - Interest Rate Risk in Banking Book, etc.;
11. Setting policies and guidelines for Liquidity Risk and Interest Rate Risk Management and ensuring that the processes are aligned with Bank's policies;
12. Review the validation of Stress Testing and Back Testing frameworks and carrying out stress testing and back testing;
13. Review of Digital payments fraud risk management by the transactions monitoring team. Semi-annual update to RMC including emerging risks and fraud from various digital payment channels, enhancement in the fraud prevention system, frauds incidents reported, loss to the bank, customer, amount insured and recovered, etc.;
14. Update on emerging cyber security risks and risk posture of the bank at half yearly interval;
15. Any other matters related to enhancements in risk management frameworks/policies in terms of RBI / Regulatory guidelines.

**Composition :** As on March 31, 2022, the Risk Management Committee comprised of five members, viz., Dr. T. T. Ram Mohan (Chairman), Mr. Shanker Annaswamy, Mr. Arun Tiwari, Mrs. Bhavna Doshi and Mr. Sumant Kathpalia.

**Meetings :** The Risk Management Committee met seven times during the financial year 2021-2022: On May 18, 2021, June 21, 2021, June 26, 2021, September 16, 2021, November 24, 2021, February 18, 2022 and March 17, 2022.

The details of attendance of the members at the meetings of the Risk Management Committee, held during the financial year 2021-22, are as under:

Members	Number of Meetings attended (includes attendance through video conference)	Remarks
Dr. T. T. Ram Mohan	7/7	-
Mr. Shanker Annaswamy	7/7	-
Mr. Arun Tiwari	7/7	-
Mrs. Bhavna Doshi	7/7	-
Mr. Sumant Kathpalia	6/7	-

### 10. Review Committee - Non-Cooperative Borrowers and Wilful Defaulters

**Terms of reference :** The Committee's role is to review the decisions taken by the Identification Committee in respect of Non-Cooperative / Wilful Defaulters.

**Composition :** As on March 31, 2022, the Review Committee - Non-Cooperative Borrowers and Wilful Defaulters comprised of three members, viz., Mr. Sumant Kathpalia (Chairman), Mrs. Akila Krishnakumar and Mr. Jayant Deshmukh.

**Meetings :** The Review Committee - Non-Cooperative Borrowers and Wilful Defaulters met once during the financial year 2021-2022: viz. on June 8, 2021.

The details of attendance of the members at the meetings of the Review Committee, held during the financial year 2021-22, are as under:

Members	Number of Meeting attended (includes attendance through video conference)	Remarks
Mr. Sumant Kathpalia	1/1	-
Mrs. Akila Krishnakumar	1/1	-
Mrs. Bhavna Doshi	1/1	Stepped down as a member of the committee with effect from closing hours of September 30, 2021.
Mr. Jayant Deshmukh	-	Inducted as a member of the Committee w.e.f. October 1, 2021.

### 11. Stakeholders' Relations Committee

**Terms of Reference :**

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares, non-receipt of Annual Report, non-receipt of declared Dividends, issue of new / duplicate Share Certificates, General Meetings etc.
2. Review for measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;

4. Review of initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of Dividend Warrants / Annual Report / statutory Notices by shareholders of the company.
5. Specifically look into various aspects of interest of shareholders, debenture-holders and other security holders.

**Composition :** As on March 31, 2022, the Stakeholders' Relations Committee comprised three members, viz., Mr. Rajiv Agarwal (Chairman), Mrs. Bhavna Doshi and Mr. Sumant Kathpalia.

**Meetings :** The Stakeholders' Relations' Committee met twice during the financial year 2021-2022: On November 24, 2021 and March 14, 2022.

The Composition and Terms of Reference of the Committee are in accordance with the provisions of Section 178 of the Companies Act, 2013 and the provisions of Regulation 20 of the SEBI Listing Regulations.

The details of attendance of the members at the meetings of the Stakeholders' Relations' Committee, held during the financial year 2021-22, are as under:

Members	Number of Meetings attended (includes attendance through videoconference)	Remarks
Mr. Rajiv Agarwal	2/2	Appointed as the Chairman of the Stakeholders' Relations Committee with effect from October 1, 2021.
Mrs. Bhavna Doshi	2/2	Ceased to be the Chairperson of the Stakeholders' Relations Committee, with effect from closing hours of September 30, 2021 but continued as a member of the committee.
Mr. Sumant Kathpalia	2/2	-

## 12. Special Committee of the Board (for monitoring large value Frauds)

**Terms of Reference :** In accordance with the directives of Reserve Bank of India, a Special Committee has been set up for monitoring and follow-up of cases of frauds involving amounts of ₹1 crore and above.

**Composition :** As on March 31, 2022, the Special Committee for monitoring of Large Value Frauds comprised of five members, viz., Mrs. Sanjay Asher (Chairman), Mr. Shanker Annaswamy, Mr. Rajiv Agarwal, Mrs. Bhavna Doshi and Mr. Sumant Kathpalia.

**Meetings :** The Special Committee for monitoring of Large Value Frauds met six times during the financial year 2021-2022: On May 17, 2021, June 22, 2021, September 27, 2021, December 23, 2021, January 25, 2022, and March 16, 2022.

The details of attendance of the members at the meetings of the Special Committee for monitoring of Large Value Frauds, held during the financial year 2021-22, are as under:

Members	Number of Meetings attended (includes attendance through videoconference)	Remarks
Mr. Sanjay Asher	5/6	-
Mr. Shanker Annaswamy	6/6	-
Mr. Rajiv Agarwal	6/6	-
Mrs. Bhavna Doshi	6/6	-
Mr. Sumant Kathpalia	6/6	-

### 13. Vigilance Committee

**Terms of reference :** The Committee conducts overview of cases of lapses of a vigilance nature on the part of employees of the Bank.

**Composition :** As on March 31, 2022, the Vigilance Committee comprised of four members, viz., Mrs. Akila Krishnakumar (Chairperson), Mr. Sanjay Asher, Mr. Jayant Deshmukh and Mr. Sumant Kathpalia.

**Meetings :** The Vigilance Committee met thrice during the financial year 2021-2022: On September 29, 2021, December 22, 2021 and March 11, 2022.

The details of attendance of the members at the meetings of the Vigilance Committee, held during the financial year 2021-22, are as under:

Members	Number of Meetings attended (includes attendance through videoconference)	Remarks
Mrs. Akila Krishnakumar	3/3	-
Mr. Sanjay Asher	3/3	-
Mr. Jayant Deshmukh	2/2	Inducted as a member of the Committee, with effect from October 1, 2021.
Mr. Sumant Kathpalia	1/3	-

#### Separate meeting of Independent Directors

During the year under review, the Independent Directors of the Bank met twice, without the presence of Non-Independent Directors or the Management of the Bank on July 21, 2021 and March 22, 2022.

In terms of Schedule IV to the Companies Act, 2013 and Regulation 25(3) of SEBI Listing Regulations, at least one meeting of Independent Directors is required to be held every year.

The Bank has obtained cover for all Independent Directors under the Directors and Officers Insurance Policy ('D and O Insurance') of requisite quantum and risks determined by the Board.

In the aforesaid meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman, taking into account the views of Non-Executive Directors and the Whole-time Director; and
- Assessed the quality, quantity and timeliness of flow of information between the Bank Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The details of attendance at the meetings of the Independent Directors, held during the financial year 2021-22, are as under:

Members	Number of Meetings attended (includes attendance through videoconference)	Remarks
Mr. Shanker Annaswamy	2/2	-
Dr. T. T. Ram Mohan	2/2	-
Mrs. Akila Krishnakumar	2/2	-
Mr. Rajiv Agarwal	2/2	-
Mr. Sanjay Asher	2/2	-
Mrs. Bhavna Doshi	2/2	-
Mr. Jayant Deshmukh	1/1	Appointed as Non- Executive Independent Director, with effect from July 24, 2021.

## **Terms and Conditions of appointment of Independent Directors**

Non-Executive Independent Directors of the Bank, fulfil the conditions of independence as mandated under Section 149 (6) of the Companies Act, 2013 read with Schedule IV and Regulation 16(1)(b) of the SEBI Listing Regulations and the Board has established the veracity of their declaration relating to their independence and satisfied itself that they are independent of the management.

A formal Letter of Appointment has been issued to the Independent Directors of the Bank, at the time of their appointment/re-appointment, in accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The terms and conditions of appointment of Independent Directors has been hosted on the Bank's website at: <https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html#policies-and-codes>

## **Annual Evaluation of Performance of the Board, Committees of the Board, Non-Executive Non-Independent, Part-time Chairman, and Individual Directors**

The Bank has in place a Board Evaluation framework setting out the process, criteria, frequency, etc. for conduct of performance evaluation of the Board as a whole, of Committees of the Board of Directors including Independent Directors, of Non-Independent Directors, of the Managing Director & CEO, and of the Non-Executive Non-Independent, Part-time Chairman. The framework was recommended by the Nomination & Remuneration Committee of the Board, and was approved by the Board.

The process of performance evaluation adopted by the Bank is in line with the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SEBI had, vide their Circular dated January 5, 2017, issued the 'Guidance Note on Board Evaluation'. The Nomination & Remuneration Committee of the Board reviewed the criteria and process for Performance Evaluation of the Board and its Committees, with a view to align it with SEBI's Guidance Note and accordingly enhanced the set standards for Performance Evaluation, method of Assessment, etc.

The Board of Directors have, on the recommendation of the Compensation and Nomination & Remuneration Committee, approved the engagement of an external professional agency for conducting the Performance Evaluation exercise.

Annual Performance Evaluation exercise for FY 2021-22 had been carried out by engagement of an external professional agency, which is specialised in Board evaluation processes and provided the convenience of mutual evaluation, along with anonymity.

Under the Guidance of the professional agency that specialise in Board Evaluation:

- The Compensation and Nomination & Remuneration Committee evaluated the performance of the Board as a whole, that of the Committees of the Board, the Non-Executive Non-Independent, Part-time Chairman of the Board and the individual Directors of the Bank.
- Performance of Independent Directors including fulfilment of Independence criteria as specified under SEBI Listing Regulations and their independence from the management and of the Chairman was evaluated by the entire Board, excluding the Director being evaluated.
- Performance of the entire Board was evaluated based on inputs from individual Directors on the basis of criteria such as Board composition and structure, effectiveness of Board processes, information and functioning, and other attributes such as discharging of roles and functions, professional conduct, governance, etc.
- Performance of the Committees of the Board was evaluated after seeking inputs from the Directors, and evaluation was done on the basis of criteria such as composition of the Committee, roles and responsibilities, effectiveness of Committee meetings, etc.
- Performance of Chairman of the Board, was reviewed taking into account the views of the Executive Director and Non-Executive Directors and that of the Non-Independent Directors was reviewed by the Independent Directors in a separate meeting of Independent Directors, who had also reviewed the performance of the Board as a whole.

The Chairman of the Board provided feedback to the Directors on individual basis, taking into account the report of the external agency, and the significant highlights, learnings and action points with respect to the evaluation exercise were discussed amongst the Board members.

In accordance with Section 178 of the Companies Act, 2013, the Board has formulated and adopted the Policy on Performance Evaluation of the Board and a Policy for Selection and Appointment of Directors which has been hosted on the Bank's website at: <https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html#policies-and-codes>

### **Familiarization Programme for Independent Directors**

An appropriate Induction Programme for new Directors and ongoing familiarization with respect to the business / working of the Bank for all Directors is a major contributor for meaningful Board-level deliberations and sound business decisions.

In compliance with the requirement of the SEBI Listing Regulations, the Bank has formulated a Familiarization Programme for Independent Directors. The said Programme aims to provide to the Independent Directors an insight into the Bank's functioning, to help them understand its business in depth, roles and responsibilities of Independent Directors, and industry overview, so as to help them contribute significantly during the deliberations in the Board / Committee meetings and facilitate active participation in managing of the Bank.

As part of the agenda of Board / Committee Meetings, presentations are made to Independent Directors on an ongoing basis on various matters covering the Bank's business and operations, industry and regulatory updates, strategy, finance, the risk management framework, etc.

At the time of appointment of a Director, a formal Letter of Appointment is given to him / her, which explains the role, function, duties and responsibilities expected of him / her as a Director of the Bank. Inputs include orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on an on-going process, including talks by external domain experts.

Details of the Familiarisation Programme for Independent Directors has been hosted on the Bank's website at:

<https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html> and then follow the mentioned path: Investor > Investor Relations > Corporate Governance > Familiarisation Programme for Independent Directors.

### **Policy for Selection and Appointment of Directors**

The Board of Directors are at the helm of the Bank, and an enlightened Board creates a culture of leadership and provides a long-term policy approach to enhance the quality of governance.

The Policy for Selection and Appointment of Directors (the Policy) shall act as a guideline for determining the qualifications, positive attributes, independence of Directors, and matters relating to the appointment and removal of Directors.

The Policy has been formulated and adopted, in terms of the provisions of Section 178 of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 10A of the Banking Regulation Act, 1949 and the Guidelines issued by the RBI, in this regard, from time to time.

The Policy sets out the guiding principles for identifying persons who are qualified to become Directors, to determine the independence of Directors and the manner of selection and appointment/reappointment of Directors.

The Policy for Selection and Appointment of Directors has been hosted on the Bank's website at: <https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html#policies-and-codes>

### **Board Diversity Policy**

The Bank has benefited from the guidance and strategic direction of eminent persons from diverse fields as Directors in its Board.

The 'Board Diversity Policy' was formulated in 2015 to ensure diversity of experience, knowledge, perspective, background, gender, age and culture. The primary objective of this Policy is to provide a framework for building a Board that would contribute to the achievement of the Bank's strategic and commercial objectives.

The Bank believes that a professional Board that possesses diverse skills, varied experience and expertise enhances the quality and speed of decision-making processes, which benefits all stakeholders.

RBI have, vide their Circular dated November 24, 2016, advised banks to broaden the fields of specialization of persons who could be considered for appointment as 'Director', viz., Information Technology, Payment & Settlement Systems, Human Resources, Risk Management, and Business Development and Management.

The Board Diversity Policy includes the said skill sets as part of the criteria for induction as a Director on the Board of the Bank.

Board Diversity Policy has been hosted on the Bank's website, at:

<https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html#policies-and-codes>

### ***Policy for Determining Material Subsidiary Companies***

The Bank does not have a material subsidiary, however, has formulated and adopted the Policy for determining material subsidiary companies, in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Policy for determining material subsidiaries has been hosted on the Bank's website at:

<https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html#policies-and-codes>

### ***Policy on Related Party Transactions***

All transactions with related parties were in the ordinary course of business and on an arm's length pricing basis. Suitable disclosure as required under the Accounting Standards (AS 18) has been made in the Notes to the Financial Statements. The details of the transactions with related parties are placed before the Audit Committee from time to time.

In terms of Section 188 of the Companies Act, 2013 and requirements of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Bank has formulated the 'Policy on Related Party Transactions'.

The Policy is hosted on the website of the Bank at the link mentioned below:

<https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html#policies-and-codes>

### ***Strictures and Penalties***

#### **Penalty or stricture imposed on the Bank by SEBI, Stock Exchanges or any other authority in the matters relating to Capital Market, during last three years:**

During the financial year 2021-22: National Stock Exchange of India Limited and BSE Ltd., had levied monetary penalty of ₹ 10,000 each, for non-compliance with Regulation 29(2)(3) of the SEBI Listing Regulations - Delay in furnishing prior intimation about the meeting of the Board of Directors where the proposal of Dividend was considered by the Board.

During the financial year 2020-21: No penalty or strictures were imposed on the Bank.

During the financial year 2019-20: No penalty or strictures were imposed on the Bank.

#### **Penalties or strictures imposed on the Bank by Reserve Bank of India during the last three years:**

During the financial year 2021-22: RBI had levied monetary penalty of ₹10 Million for non-compliance with certain provisions of directions issued by the RBI on 'Lending to Non-Banking Financial Companies (NBFCs); 'Bank Finance to Non-Banking Financial Companies (NBFCs); 'Loans and Advances – Statutory and Other Restrictions'; and 'Creation of a Central Repository of Large Common Exposures – Across Banks'.

During the financial year 2020-21: RBI had levied monetary penalty of ₹45 million on the Bank, in respect of findings of annual statutory inspection of the Bank pertaining to the position as on March 31, 2019 (FY 2018-19) and the Risk Assessment Report (RAR) pertaining thereto.

During the financial year 2019-20: No penalty or strictures were imposed on the Bank by RBI.

The Bank has taken corrective measures and strengthened controls to mitigate the risk of such occurrences in future.

### ***Vigil Mechanism / Whistle Blower Policy***

The Bank is committed to high standards of ethics and integrity. The Bank has in place a Whistle Blower Policy to provide a formal mechanism to various stakeholders, viz., employees, customers, suppliers, shareholders, etc., to report their concerns about unethical behavior, actual or suspected fraud, violation of the Bank's Code of Conduct or Ethics Policy, etc. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism, and provides for direct access to the Chairman of the Audit Committee. None of the Bank's personnel have been denied access to the Audit Committee.

The Whistle Blower Policy has been hosted on the Bank's website at:

<https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html#policies-and-codes>

### Dividend Distribution Policy

Declaration of Dividend by Banking Companies is governed by the provisions of the Companies Act, 2013 and the Rules made thereunder, provisions of the Banking Regulation Act, 1949, and the Guidelines issued by the RBI from time to time. The Bank has in place a Dividend Distribution Policy, which specifies eligibility criteria for declaration of dividend and quantum of Dividend payable, i.e., criteria for maximum permissible range of Dividend Payout Ratio.

The Dividend Distribution Policy is hosted on the Bank's website at:

<https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html#policies-and-codes>

The Board of Directors, in their meeting held on April 29, 2022, have recommended dividend of ₹ 8.50 per equity share of ₹ 10 each (85% of Face Value) for the year ended March 31, 2022 and the proposed dividend is in compliance with the Dividend Distribution Policy of the Bank. This proposal is subject to the approval of the shareholders at the ensuing 28<sup>th</sup> Annual General Meeting.

### Details of previous three Annual General Meetings:

Details of previous three Annual General Meetings, are given below:

AGM	Day and Date	Time	Venue	Whether Special Resolution Passed
27 <sup>th</sup>	Thursday, August 26, 2021	11:30 a.m.	Through Videoconference	Yes
26 <sup>th</sup>	Friday, September 25, 2020	11.00 a.m.	Through Videoconference	Yes
25 <sup>th</sup>	Friday, August 16, 2019	2.00 p.m.	Hotel Sheraton Grand, Raja Bahadur Mill Road, Pune – 411001.	Yes

### Special Resolutions

Details of Special Resolutions passed at the previous three Annual General Meetings, are given below:

Annual General Meeting	Date	Resolutions
27 <sup>th</sup> Annual General Meeting	August 26, 2021	Resolution No. 8: Augmentation of capital through further issue or placement of securities including American Depository Receipts, Global Depository Receipts, Qualified Institutional Placement, etc.
		Resolution No. 9: Increase in the authorized share capital and alteration of the capital clause of Memorandum of Association and Article of Association of the Bank.
		Resolution No. 10: Issue of Long Terms Bonds / Non-Convertible Debentures on Private Placement Basis.
26 <sup>th</sup> Annual General Meeting	September 25, 2020	Resolution No. 8: Re-appointment of Mr. Shanker Annaswamy as a Non-Executive Independent Director.
		Resolution No. 9: Re-appointment of Dr. T. T. Ram Mohan as a Non-Executive Independent Director.
		Resolution No. 10: Issue of Long-Term Bonds / Non-Convertible Debentures on Private Placement Basis.
		Resolution No. 11: Modification in Employee Stock Option Scheme 2007 (ESOS 2007)
25 <sup>th</sup> Annual General Meeting	August 16, 2019	Resolution No. 9: Issue of Long-Term Bonds / Non-Convertible Debentures on Private Placement Basis.

## Postal Ballot

During the financial year 2021-22, no matter was transacted through Postal Ballot.

## Material Disclosures

**Related Party Transactions:** During the year, there were no materially significant transactions with related parties that could have had any potential for conflict with the interests of the Bank at large.

**Accounting Standards:** In the preparation of Financial Statements for the year 2021-22, the treatment prescribed in the Accounting Standards issued by the Institute of Chartered Accountants of India from time to time has been followed by the Bank.

**Disqualification of Directors:** As on March 31, 2022, none of the Directors of the Bank were disqualified under the provisions of Section 164 (2) of the Companies Act, 2013.

Certificate dated July 18, 2022 issued by M/s Alwyn Jay & Co., Practicing Company Secretaries (COP No.: 5137) has been received confirming that none of the Directors of the Bank have been debarred or disqualified from being appointed or continuing as directors of the Bank by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such authority.

Copy of the Certificate is annexed to the Directors' Report.

## Recommendation of the Committees of the Board not accepted by the Board in the financial year:

During the year under review, there were no instance of recommendations made by the Committees of Board, which was mandatory as per its terms of reference, which were not adopted by the Board.

## Confirmation by Board of Independence of Directors

The Board at its meeting held on June 9, 2022 reviewed the declarations relating to their independence as submitted by Mr. Shanker Annaswamy, Dr. T. T. Ram Mohan, Mrs. Akila Krishnakumar, Mr. Rajiv Agarwal, Mr. Sanjay Asher, Mrs. Bhavna Doshi, Mr. Jayant Deshmukh and concluded that the said Directors met the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board also confirm that the said Directors, based on their submissions are all Independent of the Management and that there exist no circumstances or situation or external influences that could impact or impair their ability to discharge their duties with objective and independent judgment.

## Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank has zero tolerance for sexual harassment at workplace and has adopted the Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

The Bank's Policy on 'Prevention, Prohibition and Redressal of Sexual Harassment at Workplace' aims at providing protection to women employees at the workplace and prevent and redress complaints of sexual harassment and matters connected with or incidental thereto, with the objective of providing a safe working environment.

The Bank has complied with the provisions relating to the constitution of Internal Complaints Committees under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013], to enquire into the complaints of sexual harassment and recommend appropriate action.

The Bank has received 10 complaints of sexual harassment at workplace during the financial year 2021-22. The status of the same is as under:

No. of cases received during the year	No. of cases closed during the year	No. of cases pending for investigation at the end of the year
10	6	4

## Fees paid to Statutory Auditors:

The total fees paid by the Bank and its subsidiary, on a consolidated basis, for the services rendered by Statutory Auditors and

the Firm's affiliate entities during the FY 2021-22 is as below:

Sr. No.	Particulars	Amount <sup>1</sup>
1	Audit Fees	2,65,00,000
2	Fees for certification and other attest services <sup>2</sup>	30,50,000
3	Non Audit Fees	-
	<b>Total</b>	<b>2,95,50,000</b>

1. The above fees excludes taxes, clerkage fees and out of pocket expenses.
2. The services of statutory auditors have been obtained during the normal course of business for compliance with statutes and the guidelines of various regulators like SEBI, RBI etc. which specifically require the Statutory Auditor to undertake these activities and are not in the nature of management assurance.

#### **Compliance with mandatory requirements under SEBI Listing Regulations:**

The Bank has adhered to all the mandatory requirements of Corporate Governance norms as prescribed under Regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable to the Bank.

During the year under review, the Bank has not identified any non-compliance with the requirements of Corporate Governance Report, given in sub-paras (2) to (10) of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **Compliance with Discretionary / Non-mandatory requirements under the SEBI Listing Regulations:**

The status of compliance with the discretionary / non-mandatory requirements under the SEBI Listing Regulations is as under:

- The Chairman has been provided with an office at the Corporate Office of the Bank. The Chairman of the Board has not incurred any expenses towards attending meetings of the Board and Committees. As the Chairman is a Non-Executive Director, he is entitled to receive Sitting Fees for attending the meetings of the Board and of the Committees of the Board and is also entitled for remuneration in the form of Fixed Remuneration as per the applicable laws.
- The Bank endeavors to remain in a regime of unqualified Financial Statements.
- The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
- The Internal Auditor of the Bank reports directly to the Audit Committee.
- The Bank hosted its Quarterly / Annual Financial Results on its website ([www.indusind.com](http://www.indusind.com)) which is accessible to the public at large. Besides this, the Financial Results are published in newspapers, apart from being reported on the websites of the Stock Exchanges. Therefore, the Bank does not find it expedient to send individual communications to the shareholders regarding significant events and financial performance every half-year.
- Besides the above, e-mail messages and SMS messages were sent during the year to shareholders whose e-mail IDs and cell phone numbers were available with the Bank, informing them about declaration of the Bank's Quarterly and Annual Financial Results. The Bank has continued the exercise of collecting the e-mail IDs of shareholders wherever not available, so as to communicate more regularly with them via e-mail.

#### **Prevention of Insider Trading**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Bank had accordingly amended the undermentioned Codes to align with the standards prescribed under the Regulations:

- Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons in Securities of the Bank ('the Insider Trading Code'); and
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('Fair Disclosure Code').

The Bank has formulated the 'Policy on procedures for conducting an inquiry in the event of leak or suspected leak of Unpublished Price Sensitive Information (UPS):'

In order to promote e-governance within the Bank, the Bank has implemented an Employee Self-Service Module (ESS Module), a fully automated web-based portal for enabling compliances prescribed under the Insider Trading Code of the Bank, read with the Regulations.

The ESS Module allows employees to submit online disclosures pertaining to transactions in securities of the Bank, viz., acquiring shares by exercise of Options / sale of Shares / Invocation of Pledge on Bank's shares / Release of Pledge / Off-Market Transactions / Gift, etc.

The ESS Module facilitates reporting of transactions with nil paperwork and in quick time. It also enables employees to report the transactions in Bank's securities from any place, with the help of the Internet and can also be accessed using any Smartphone.

The Company Secretary or in his absence any senior officer authorised by the Board shall be is the Compliance Officer under the said Regulation and is responsible for implementation and overseeing compliance with the provisions of the Insider Trading Code of the Bank.

In the absence of Company Secretary, the Board has appointed Deputy Company Secretary as the Compliance Officer w.e.f. June 20, 2022, or in his absence any senior officer authorised by the Board shall be the Compliance Officer.

The Fair Disclosure Code has been hosted on the Bank's website at:

<https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html#policies-and-codes>

## **Means of Communication**

Besides communicating to the Stock Exchanges where the Bank's shares are listed, the Financial Results of the Bank are also published on a quarterly basis in leading financial publications and a regional newspaper, viz., 'Economic Times' (Mumbai, Delhi, Pune, Bangalore, Chennai, Hyderabad editions), 'Financial Express' (Mumbai, Chennai, Delhi, Kolkata, Bengaluru, Ahmedabad, Hyderabad, Pune, Chandigarh, Kochi & Lucknow editions), 'Business Standard' (Mumbai, Delhi, Kolkata, Bengaluru, Chennai, Hyderabad, Ahmedabad, Lucknow, Chandigarh, Kochi, Pune & Bhubaneswar editions), 'Mint' (Mumbai, Delhi, Kolkata, Bengaluru, Chennai, Hyderabad & Ahmedabad editions), 'Hindu Business Line (HBL)' (Chennai, Coimbatore, Madurai, Trichy, Hyderabad, Vizag, Tirupati, Vijaywada, Kochi, Trivendrum, Kozhikode, Bengaluru, Mangalore, Hubli, Mumbai, Delhi & Kolkata editions) in English and in 'Maharashtra Times' (Pune edition) and 'Loksatta' (Mumbai & Pune edition) in Marathi, at the location of the Bank's Registered Office.

Quarterly Press Meets / Calls are organized, during which the Results are announced to the media and Press Releases are issued. Regular interviews with electronic channels on the awareness of Results and other available opportunities are arranged for the Managing Director and members of the Core Management Team.

Analysts' Meets and conference calls with the Analyst fraternity are also held periodically. A transcript of the calls and copies of the presentations made to Institutional Investors and Analysts are hosted on the Bank's website.

Information relating to the Financial Results is also hosted under the icons "Media Room" and "Investors" on Bank's website ([www.indusind.com](http://www.indusind.com)). The said sections are updated regularly.

Quarterly compliance reports on Corporate Governance as prescribed under Regulation 27 of the SEBI Listing Regulations and the Shareholding Pattern of the Bank as prescribed under Regulation 31 of the SEBI Listing Regulations are also filed through NSE Electronic Application Processing System (NEAPS) NSE Digital Exchange and BSE Listing Centre.

In compliance with the SEBI Listing Regulations, the Board of Directors have approved a 'Policy for determining Materiality of Events / Information' for the purpose of making disclosure to the Stock Exchanges.

The Bank had also formulated an "Archival Policy" for hosting of Regulatory Information / Disclosures on the website of the Bank and 'Policy for Preservation of Documents and other Statutory Records'. The said Policies has been hosted on the Bank's website at:

<https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html#policies-and-codes>

All disclosures made to the Stock Exchanges are also available on the Bank's website under the heading 'Corporate Announcements'.

### **Subsidiary and Associate Company**

Bharat Financial Inclusion Limited (BFIL) is a wholly-owned subsidiary of the Bank, is a Business Correspondent for financial inclusion activities, and is engaged in loan origination, post-loan origination services, deposit mobilisation and remittance services.

IndusInd Marketing and Financial Services Private Limited (IMFS) is an Associate Company of the Bank and is engaged in the business of providing manpower services.

### **Business Responsibility and Sustainability Report**

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the integrated Management Discussion and Analysis, the Business Responsibility and Sustainability Report ("BRSR") form part of the Annual Report.

The Bank has provided BRSR, in lieu of the Business Responsibility Report which indicates the Bank's performance against the principles of the 'National Guidelines on Responsible Business Conduct'. This would enable the Members to have an insight into Environmental, Social and Governance initiatives of the Bank.

In view of the above and in compliance with Regulation 34(2) of the SEBI Listing Regulations, the BRSR, has been hosted on the Bank's website at: <https://www.indusind.com/in/en/sustainability.html>

### **Corporate Social Responsibility**

The Bank has constituted a 'Corporate Social Responsibility & Sustainability' (CSR&S) Committee of the Board in compliance with the Companies Act, 2013 and the relevant rules made thereunder, as amended.

In the eighth year of CSR reporting, under the statute of the Companies Act, 2013, the Bank intensified its efforts on community engagement into avenues of Environmental Sustainability, Healthcare, Education, Sports & Economic Empowerment and Other areas of special interest.

### **Sustainability-driven Growth**

The Bank's mantra of 'Good Ecology is Good Economics' has aided in delivering superior financial, environmental and social performance leading the race to a low emissions economy and social inclusivity.

### **General Information for Shareholders**

<b>Registration No.</b>	:	076333
<b>CIN</b>	:	L65191PN1994PLC076333
<b>Financial Year</b>	:	2021-2022
<b>Board meeting held for approval of Audited Financial Accounts</b>	:	April 29, 2022
<b>Posting of Annual Report 2021-22- electronically in accordance with Ministry of Corporate Affairs (MCA) circular no. 02/2022 dated May 5, 2022.</b>	:	Wednesday, July 27, 2022
<b>Weblink for accessing Annual Report 2021-22</b>	:	<a href="https://www.indusind.com/in/en/investors/investor-landing.html">https://www.indusind.com/in/en/investors/investor-landing.html</a>
<b>Day, Date and Time of 28<sup>th</sup> Annual General Meeting</b>	:	Friday, August 19, 2022 at 11.30 A.M.
<b>Venue</b>	:	AGM will be conducted through Video conference / OAVM in accordance with Ministry of Corporate Affairs (MCA) Circular No. 02/2022 dated May 5, 2022.
<b>Financial Calendar</b>	:	April 1 to March 31
<b>Record Date (Cut-off date)</b>	:	August 12, 2022
<b>Date of Dividend Payment</b>	:	On or before Friday, September 16, 2022

<b>Bank's Website</b>	:	<a href="http://www.indusind.com">www.indusind.com</a>
<b>Bank's Branches</b>	:	<a href="https://www.indusind.com/locate-us.html?q1=&amp;q2=branches">https://www.indusind.com/locate-us.html?q1=&amp;q2=branches</a>
<b>Address for Correspondence</b>	:	<b>Deputy Company Secretary</b> IndusInd Bank Limited Building. No. 7, Ground floor, Solitaire Corporate Park, 167, Guru Hargovindji Marg, Andheri (East), Mumbai – 400093. Tel: 022 - 6641 2485 / 87 E-mail: <a href="mailto:investor@indusind.com">investor@indusind.com</a>

Pursuant to the relevant provision of the Companies Act, 2013 and the relevant Rules made thereunder, the Bank has been sending its Annual Reports and other communications through electronic mode to those shareholders who have registered their email addresses with the Bank or as made available by the Depository.

The full text of these Reports is also available in an easily navigable format on the Bank's website at:  
<https://www.indusind.com/in/en/investors/investor-landing.html>

#### Distribution of Shareholding as on March 31, 2022

Range – Shares	No. of Folios	Percentage of Folios	No. of Shares	Percentage of Shares
Upto 1,000	4,47,192	98.19	2,89,94,148	3.74
1,001 - 5,000	6,527	1.43	1,31,67,965	1.70
5,001 - 10,000	671	0.15	47,41,922	0.61
10,001 – 50,000	587	0.13	1,27,51,695	1.65
50,001 & above	438	0.10	71,50,07,433	92.30
<b>TOTAL</b>	<b>4,55,415</b>	<b>100.00</b>	<b>77,46,63,163</b>	<b>100.00</b>

#### Outstanding GDRs / ADRs / Warrants or any Convertible Debentures, conversion date and likely impact on Equity

The Bank has, in the course of international offering to overseas investors, issued Securities linked to Equity Shares, in the form of Global Depository Receipts (GDRs) in 2007 and 2008. Each GDR is equivalent to one Equity Share of the Bank, and the said GDRs have been listed on Luxemburg Stock Exchange. As at March 31, 2022, the Bank has 6,34,81,464 GDRs (equivalent to 6,34,81,464 Equity Shares) outstanding, which constituted 8.19% of the Bank's total equity capital. In terms of the offering, the GDRs can be converted at the option of the GDR-holders. Such conversion is not likely to have any impact on the Equity Share Capital of the Bank.

#### Disclosure of Commodity Price Risk or Foreign Exchange Risk and Hedging activities:

The Bank has put in place the Board approved Global Markets Group - Front Office Policy and Market Risk Management Policy, which prescribes comprehensive risk management techniques and risk control limits, such as, Value at Risk (VaR), Aggregate Gap Limit (AGL), Stop Loss Limit, Net Overnight Open Position limit (NOOP) to control and manage foreign exchange risk.

The Bank has not undertaken any Commodity Price Risk during the period.

The Bank hedges the currency risk in its Balance Sheet through derivatives, including forex Forwards and Swaps. The Bank manages the currency risk on exposures due to client servicing and proprietary trading in compliance with overall risk control framework and limits prescribed under Global Markets Group - Front Office Policy and Market Risk Management Policy, approved by the Board.

**Details of utilization of funds raised through Preferential Allotment or Qualified Institutions Placement as Specified under Regulation 32(7A):** Not Applicable.

**Shareholding as on March 31, 2022****i. Distribution of shareholding**

	<b>Category</b>	<b>No. of shares held</b>	<b>% of shareholding</b>
A.	Promoters' holding	<b>11,75,16,010</b>	<b>15.17*</b>
B.	Non-Promoters' holding	65,71,47,153	84.83
	(i) Institutional Investors		
	a. Mutual Funds and UTI	9,61,05,133	12.41
	b. Banks, Financial Institutions, Insurance Companies (Central / State Gov. Institutions / Non-government Institutions)	5,82,88,309	7.52
	c. Alternate Investment Funds	9,61,142	0.12
	d. FIIs / Foreign Portfolio Investor	32,95,10,799	42.54
	<b>Sub Total (B) (i)</b>	<b>48,48,65,383</b>	<b>62.59</b>
	(ii) Global Depository Receipts (B) (ii)	<b>6,34,81,464</b>	<b>8.19</b>
	(iii) Others		
	a. Central Government / State Government	273	0.00
	b. Private Corporate Bodies	3,11,23,268	4.02
	c. Indian Public **	6,01,29,140	7.76
	d. NRIs / OCBs / Foreign Nationals / Foreign Company / Foreign Bank	1,10,74,121	1.43
	e. Clearing Members	14,20,031	0.18
	f. Trusts	3,92,586	0.05
	g. Hindu Undivided Family	9,71,620	0.13
	h. Investor Education Protection Fund***	15,43,901	0.20
	i. NBFC registered with RBI	21,40,339	0.28
	f. Non-Institution any other	5,027	0.00
	<b>Sub Total (B) (iii)</b>	<b>10,88,00,306</b>	<b>14.05</b>
	<b>Grand Total {A + B (i+ii+iii)}</b>	<b>77,46,63,163</b>	<b>100.00</b>

\* The Promoters' shareholding was 15.17% of the total paid-up capital of the Bank as on March 31, 2022. However, the promoter shareholding was 14.93% (on a fully diluted basis).

\*\* 'Indian Public' includes 5,69,818 shares held by Resident Directors and Relative of Directors.

\*\*\* Shares transferred to Investor Education and Protection Fund Authority.

**ii. Major Shareholders (with more than 1 percent shareholding) as on March 31, 2022**

<b>Sr. No.</b>	<b>Name of Shareholders</b>	<b>No. of shares held</b>	<b>% of shareholding</b>
1	IndusInd International Holdings Ltd.*	8,95,37,464	11.56
2	The Bank of New York Mellon (Global Depository Receipts)	6,34,81,464	8.19
3	Life Insurance Corporation of India	3,81,03,851	4.92
4	Route One Offshore Master Fund L.P.	3,23,27,731	4.17
5	Sfspvi Ltd	3,12,57,799	4.03
6	Bofa Securities Europe SA – ODI	2,85,28,717	3.68
7	IndusInd Limited*	2,79,78,546	3.61

Sr. No.	Name of Shareholders	No. of shares held	% of shareholding
8	SBI-ETF Nifty 50	2,26,86,281	2.93
9	Route One Fund I, L.P.	1,95,86,877	2.53
10	Dragsa India Equities III LP	1,94,37,388	2.51
11	Bridge India Fund	1,91,12,000	2.47
12	Morgan Stanley Investment Funds Asia Opportunity Fund	1,54,60,928	2.00
13	ICICI Prudential Life Insurance Company Limited	1,29,47,034	1.67
14	DF International Partners	1,23,96,730	1.60
15	Government Pension Fund Global	1,23,57,245	1.60
16	Nippon Life India Trustee Ltd – A/C Nippon India ETF Bank Bees	1,17,29,908	1.51
17	Goldman Sachs (Singapore) PTE. – ODI	1,09,06,655	1.41
18	Ishana Capital Master Fund	1,01,55,495	1.31
19	NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme – State Govt	94,72,257	1.22
20	Afrin Dia	91,33,463	1.18
21	Kotak Banking ETF	85,66,614	1.11
22	ICICI Prudential Private Banks ETF	84,45,583	1.09
23	Dragsa India Long LP	84,29,479	1.09
24	UTI – Nifty Exchange Traded Fund	81,78,855	1.06
25	AIA Company Limited	78,30,152	1.01

\*The Promoters' shareholding was 15.17% of the total paid-up capital of the Bank as on March 31, 2022. However, the promoter shareholding was 14.93% (on a fully diluted basis).

### iii. Total Foreign Shareholding as on March 31, 2022

Particulars	No. of shares held	% of shareholding
Total foreign shareholding	51,98,16,201	67.10
of which GDRs is	6,34,81,464	8.19

### Details of investor complaints received/resolved by the Bank, from April 1, 2021 to March 31, 2022:

Complaints	Received	Attended to	Pending
Non-Receipt of Share Certificate	13	13	0
Non-Receipt of Dividend Warrants	6	6	0
Non-Receipt of Annual Report	0	0	0
Non-Receipt of Rejected DRF	0	0	0
Non-Receipt of Exchanged Certificates	0	0	0
Others	0	0	0
Stock Exchanges	1	1	0
SEBI (through SCORES)	33	33	0
	<b>53</b>	<b>50</b>	<b>3</b>

During the year, 53 complaints were received from investors / shareholders and the same were resolved within the time stipulated by law, except for 3 complaints, which were received on March 30, 2022 and responded to on April 12, 2022.

The Bank has adopted internal standards for services provided by its Registrar and Transfer Agent (RTA) to the Shareholders of the Bank, effective from April 1, 2022, detailed as under:

Nature of Service	Time-line	
	Permitted as per the Regulations	Effective for the Bank from 1.4.2022
Registration / Cancellation of Nomination	30 days	21 days
Credit of unpaid dividend directly through electronic means	30 days	21 days
Split / Consolidation of share certificate(s)	15 days	15 days
Dematerialization of share(s)	21 days	21 days
Transmission of share(s)	21 days	21 days
Consolidation of folio(s)	15 days	15 days
Change / Deletion / Transposition of Name(s)	15 days	15 days
Release of unclaimed share(s)	30 days	21 days
Re-materialisation of share(s)	30 days	21 days
Issue of duplicate share certificate(s)	30 days	30 days

#### Listing details of the Bank's Equity Shares / Bonds / GDRs on Stock Exchanges

Name of the Stock Exchange	Address of the Stock Exchange	Stock Code No.
BSE Ltd.	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001.	532187
National Stock Exchange of India Ltd.	5 <sup>th</sup> Floor, Exchange Plaza, Bandra-Kurla Complex, Plot No. C/1, G Block, Bandra (E), Mumbai - 400 051.	INDUSINDBK
Luxembourg Stock Exchange (Global Depository Receipts)	Société de la Bourse de Luxembourg Societe Anonyme, RC Luxembourg B 6222	111202
India International Exchange	1 <sup>st</sup> Floor, Unit No. 101, The Signature Building No.13B, Road 1C, Zone 1, GIFT SEZ, GIFT CITY, Gandhinagar - GJ 382355	1100027
Singapore Stock Exchange	11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589	-

The Bank has paid Annual Listing Fees on its Securities for the FY 2021-22.

#### Notes:

- Equity shares of the Bank are listed on the National Stock Exchange of India Ltd. and BSE Ltd.
- Global Depository Receipts are listed on Luxembourg Stock Exchange.
- Bonds are listed on the National Stock Exchange of India.
- The Bank had allotted Medium Term Notes under Medium Term Note Programme on April 15, 2019 for a tenor of three years, having maturity date of April 15, 2022. Accordingly, these Notes (ISIN: XS1978939079) have matured on April 15, 2022. The abovementioned Notes were listed on India International Exchange and Singapore Stock Exchange.

## List of all Credit Ratings obtained by the Bank:

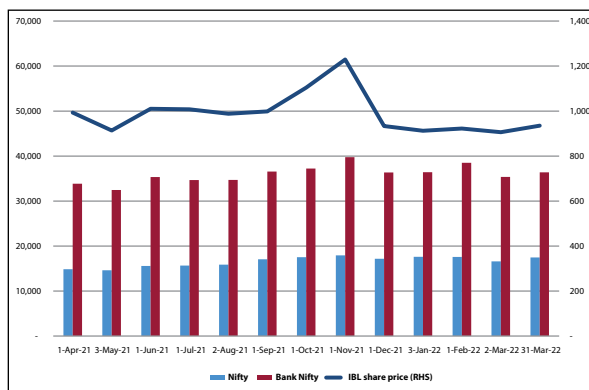
The details of credit ratings obtained by the Bank during the financial year is included in the Directors' Report, which forms an integral part of this Annual Report.

## Market Price Data of the Bank's shares

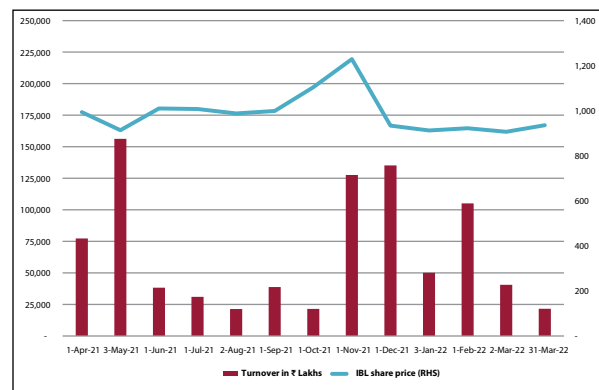
### i. National Stock Exchange of India Ltd.

Date	Price of Shares				Turnover in ₹ Lakhs	Nifty	Bank Nifty
	Open (₹)	High (₹)	Low (₹)	Close (₹)			
1-Apr-21	964.00	997.00	959.10	993.30	77320.53	14867.35	33858.00
3-May-21	929.00	967.70	899.00	913.60	156239.41	14634.15	32465.75
1-Jun-21	1016.00	1031.35	1006.00	1010.05	38275.38	15574.85	35337.20
1-Jul-21	1011.00	1016.95	1000.00	1007.70	30985.95	15680.00	34684.00
2-Aug-21	991.80	997.15	985.45	988.00	21327.85	15885.15	34710.00
1-Sep-21	994.00	1025.00	993.00	998.75	38823.70	17076.25	36574.30
1-Oct-21	1104.00	1112.00	1091.30	1104.05	21394.18	17532.05	37225.90
1-Nov-21	1158.00	1235.00	1146.05	1229.10	127600.87	17929.65	39763.75
1-Dec-21	891.00	938.75	890.15	933.65	135189.50	17166.90	36364.90
3-Jan-22	888.20	915.50	876.70	912.30	50123.99	17625.70	36421.90
1-Feb-22	879.00	927.00	879.00	922.30	105130.37	17576.85	38505.50
2-Mar-22	907.00	912.65	887.55	906.35	40562.30	16605.95	35372.80
31-Mar-22	930.00	938.45	924.00	935.40	21555.11	17464.75	36373.60

Share Price comparison with Nifty and Bank Nifty



Share Price comparison with Turn Over (in ₹ Lakhs)

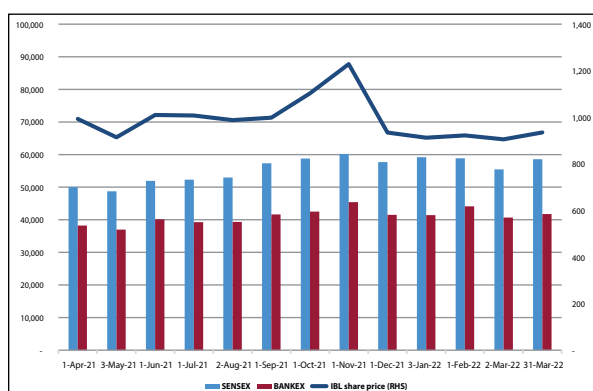


### ii. BSE Ltd.

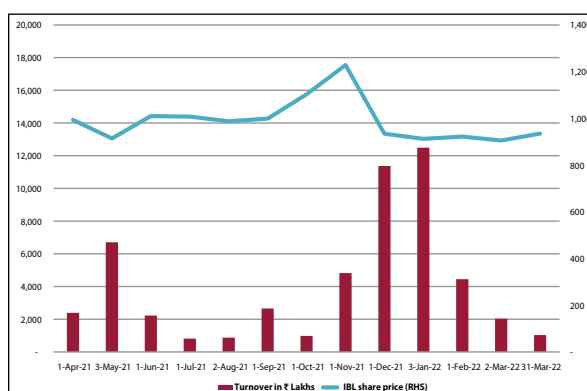
Date	Price of Shares				Turnover in ₹ Lakhs	SENSEX	BANSEX
	Open (₹)	High (₹)	Low (₹)	Close (₹)			
01-Apr-21	958.50	997.70	958.50	993.35	2387.78	50029.83	38239.36
03-May-21	934.75	967.80	900.00	913.95	6706.17	48718.52	36970.27
01-Jun-21	1015.00	1031.45	1006.20	1009.75	2225.92	51934.88	40120.90
01-Jul-21	1009.00	1016.75	1000.00	1007.60	808.92	52318.60	39269.11
2-Aug-21	985.00	996.95	985.00	987.95	868.05	52950.63	39359.44

Date	Price of Shares				Turnover in ₹ Lakhs	SENSEX	BANKEK
	Open (₹)	High (₹)	Low (₹)	Close (₹)			
1-Sep-21	993.50	1024.40	993.50	998.60	2655.01	57338.21	41615.78
1-Oct-21	1102.00	1111.60	1092.70	1103.00	979.20	58765.58	42507.48
1-Nov-21	1151.40	1235.30	1147.30	1228.35	4819.07	60138.46	45417.69
1-Dec-21	890.00	939.00	889.90	934.25	11372.28	57684.79	41496.31
3-Jan-22	890.00	915.40	877.10	912.40	12493.65	59183.22	41438.77
1-Feb-22	880.00	927.00	880.00	922.05	4446.46	58862.57	44127.02
2-Mar-22	910.00	911.00	887.50	905.35	2028.96	55468.90	40697.74
31-Mar-22	925.05	938.40	924.80	935.10	1026.34	58568.51	41753.80

Share Price comparison with SENSEX and BANKEK



Share Price comparison with Turn Over (in ₹ Lakhs)



### Dematerialisation of shares and liquidity

The Bank's shares are tradable (in electronic form only) at the BSE Ltd. and the National Stock Exchange of India Ltd. As on March 31, 2022, 99.49% of the Bank's shares are in dematerialised form and the rest are in physical form.

Particulars	No. of Shares	Percentage (%)
In Dematerialised form	77,07,10,915	99.49
In Physical form	39,52,248	0.51
<b>Total</b>	<b>77,46,63,163</b>	<b>100.00</b>

In view of the numerous advantages offered by the Depository System, members holding shares of the Bank in physical form are requested to get the same dematerialized and converted to the electronic form.

### Share Transfer System

#### Standardization and simplification of procedure for Transmission of Securities

The Share Transfer Committee, comprising Bank's Top Executives, has been constituted to deal with transfer of shares, issue of duplicate Share Certificates in lieu of mutilated Share Certificates or those, which are misplaced / lost, and other related matters. Approvals granted by the Share Transfer Committee are confirmed at subsequent Board meetings. With a view to expediting the process of physical share transfers, the Share Transfer Committee meets every Friday. Acceptance of fresh application for transfer of shares in physical mode has been discontinued w.e.f. April 1, 2019 and also the resubmitted cases shall not be accepted after March 31, 2021 as per SEBI Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 7, 2020 and Press Release PR No. 45/2020 dated September 9, 2020.

The amendment to Regulation 40 of the [Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015] vide Gazette Notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only and vide their notification dated November 30, 2018, extended this date up to March 31, 2019. Restriction for effecting transfer of securities shall not be applicable in case of transmission or transposition of securities or deletion of name of deceased shareholder. Shareholders are requested to contact the Bank's Secretarial Team or the Registrar & Share Transfer Agent Link Intime India Pvt. Ltd. Members holding shares in physical form are requested to consider converting their holdings into dematerialized form.

Pursuant to the Guidelines issued by SEBI vide Circular SEBI/HO/MIRSD/ MIRSD\_RTAMB /P/CIR/2022/65 dated May 18, 2022 regarding standardization and simplification of procedures for transmission of securities, the Board of the Bank has empowered the Share Transfer Committee, to approve transmission of securities held in physical mode, for market value up to ₹10,00,000 (Rupees Ten lakhs only) and for securities held in electronic mode, for market value up to ₹15,00,000 (Rupees fifteen lakhs only), subject to compliance with the procedures as prescribed in the said Circular.

### **Share Capital Audit**

Pursuant to Regulation 40(9) of the SEBI Listing Regulations, the Practising Company Secretary has examined the records relating to Share Transfer Deeds, Registers and other related documents on a yearly basis and has certified compliance with the provisions of the above Regulation. The Certificates are submitted to BSE and NSE where the Bank's Equity Shares are listed.

As required by SEBI, Share Capital Audit is conducted by a Practising Company Secretaries (Independent External Auditor) on a quarterly basis, for the purpose of reconciliation of the total admitted Equity Share Capital with the Depositories, viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and in the physical form with the total Issued / Paid-up Equity Capital of the Bank. The Auditor's Certificate in this regard has been submitted to BSE Ltd. and the National Stock Exchange of India Ltd. on quarterly basis.

### **Consolidation of Folios**

Shareholders holding shares in different Folios but in identical name(s) are requested to get their shareholdings consolidated into one folio by requesting the Bank / Registrar for the same. The request must be sent along with Proof of Identity and Share Certificates.

### **Registrar & Share Transfer Agent**

#### **Link Intime India Pvt. Ltd.**

C-101, 247 Park

L.B.S. Marg, Vikhroli (West)

Mumbai – 400083

Contact Person: Mr. Mahesh Masurkar

**Tel.:** 022 4918 6280 / 022 4918 6000 Fax: 022 4918 6060

**Email:** [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

### **Redressal of Investors' Grievances:**

In order to service the investors in an efficient manner and to attend to their grievances, the Bank has constituted an 'Investor Services Cell' at its undermentioned Office at Mumbai. Members are requested to contact:

#### **Mr. Raghunath Poojary**

#### **Secretarial & Investor Services Cell**

IndusInd Bank Ltd.

Building No.7, Ground floor,

Solitaire Corporate Park

167, Guru Hargovindji Marg

Andheri (East), Mumbai - 400093

**Tel:** 022 6641 2487 / 2359

**E-mail:** [investor@indusind.com](mailto:investor@indusind.com)

**For IEPF related matters:**

**Mr. Anand K. Das**

**Deputy Company Secretary, Nodal Officer**

IndusInd Bank Ltd.

**Tel:** 022 66412487 / 66412361 / 66412359 (available from Monday to Friday from 9:15 a.m. to 6:15 p.m. excluding holidays).

**E-mail:** [investor@indusind.com](mailto:investor@indusind.com)

**SEBI toll-free helpline service for investors:**

**Toll-Free Numbers:** 1800 22 7575 or 1800 266 7575 (available on all days from 9:00 a.m. to 6:00 p.m. excluding declared holidays).

**SEBI investors' contact for feedback and assistance:**

**Tel No:** 022-26449000,

**E-mail:** [sebi@sebi.gov.in](mailto:sebi@sebi.gov.in)

**Dividends:**

The Board of Directors at its meeting held on April 29, 2022, recommended a Dividend of ₹8.50 (85%), per equity share of ₹ 10/- each, fully paid, for the financial year ended March 31, 2022.

**Modes of making payment of Dividend through electronic mode:**

The SEBI Listing Regulations have directed that listed companies shall mandatorily make all payments to investors including dividend to shareholders, by using any RBI approved electronic mode of payment, viz., National Automated Clearing House (NACH), Direct Credit (in case Bank Account is with IndusInd Bank), RTGS, NEFT, etc.

In order to receive the Dividend without loss of time, all the eligible shareholders holding shares in demat mode are requested to update with their respective Depository Participants, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, E- Mail ID and Mobile No(s). This will facilitate the remittance of the Dividend amount directly in the Bank Account of the Shareholder electronically.

In case any of the dividend payments not executed via electronic mode for any reason, the Bank shall issue Dividend Warrants.

Updation in e-mail IDs and mobile numbers enables the Bank to send communications relating to credit of dividend, unclaimed dividend, etc. in a prompt and efficient manner to the Shareholders.

Shareholders holding shares in physical form may communicate details relating to their Bank Account, 9 Digit MICR Code, 11 digit IFSC Code, E-Mail ID and Mobile Numbers to the Registrar and Share Transfer Agents, viz., Link Intime India Pvt. Ltd., having address at C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083, by quoting the reference folio number and attaching a photocopy of the Cheque leaf of their active Bank Account and a self-attested copy of their PAN card.

**Unclaimed Dividend:**

As per the applicable provisions of the Companies Act, 2013, the Bank is statutorily required to transfer to the Investor Education & Protection Fund (IEPF), all Dividends remaining unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account. Once such amounts are transferred to IEPF, no claim of the shareholder shall lie against the Bank. However, shareholders are requested to refer to website of the IEPF Authority for the procedure required to be followed to claim the refund at <http://iepf.gov.in/IEPF/corporates.html> or to contact the Secretarial and Investor Services Cell of the Bank for assistance. Unclaimed Dividends up to the Financial Year 2013-14 have already been transferred to the IEPF, after giving due notice to the shareholders whose names were appearing in the list of unclaimed recipients.

Details of unclaimed dividends for the Financial Year 2014-15 onwards, and the last date for claiming the dividend for respective years, as on March 31, 2022, are given in the table below. Members are requested to take note of such due dates and claim the unpaid dividends well in advance of the due date (i.e., before the expiry of the seven-year period).

Year	Type of Dividend	Date of declaration of Dividend	Due date for availing unclaimed Dividend	Dividend Amount unclaimed (₹)	Dividend Amount unclaimed as a % of total Dividend paid.
2014-15	Final	August 17, 2015	September 21, 2022	1,18,42,340.00	0.5
2015-16	Final	July 1, 2016	August 5, 2023	1,58,04,809.50	0.6
2016-17	Final	July 26, 2017	August 30, 2024	1,76,93,217.01	0.5
2017-18	Final	July 26, 2018	August 30, 2025	1,49,85,014.09	0.3
2018-19	Final	August 16, 2019	September 19, 2026	1,45,23,971.29	0.3
2019-20	Final	<b>No Dividend was paid as per RBI directives.</b>			
2020-21	Final	August 26, 2021	September 27, 2028	95,89,617.12	0.3

### Transfer of Equity shares, to the Investor Education and Protection Fund (IEPF)

In terms of Section 124(6) of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, made effective by the Ministry of Corporate Affairs on September 7, 2016, members are requested to note that the shares in respect of which Dividend remaining Unpaid or Unclaimed for seven consecutive years or more are required to be transferred to the IEPF Authority.

In this connection, the Bank has sent Intimation Letters to members on June 3, 2022 in respect of the shares on which Dividend had remained Unpaid or Unclaimed for seven consecutive years or more since 2014-15, requesting them to claim such dividend so as to avoid the corresponding shares being transferred to the IEPF Authority, failing which the shareholders whose name appears in the list on September 21, 2022 their shares shall be transferred to the IEPF Authority within 30 days from 'Due Date', viz. September 21, 2022. An advertisement to this effect was published in Financial Express (all editions) in English language and in Loksatta newspaper, Pune edition in Marathi language on June 4, 2022.

The Bank has transferred the Unclaimed Dividends / Equity Shares for the period 2008-2009, 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14, to the IEPF Authority.

Members are also requested to note that the dividend declared for the financial years 2017-18, 2018-2019 and 2020-21, against the shares already transferred to the IEPF Authority, has been credited to IEPF authority.

Persons whose Dividend / Shares have been transferred to the IEPF Authority, may claim the refund from the IEPF Authority by filing e-form IEPF - 5 online, and following the procedure detailed on the website at: <http://iepf.gov.in/IEPF/corporates.html>

Members are requested to contact Link Intime India Private Limited (Contact Details and Office Address given elsewhere in this Report) / Bank's Secretarial and Investor Services team for obtaining the Unclaimed Dividends standing in their names.

The information pertaining to Unpaid or Unclaimed Dividends, and the details of such Members and Shares due for transfer to the IEPF Authority are also available on the Bank's website: [www.indusind.com](http://www.indusind.com)

failing which the shareholders whose name appears in the list on September 21, 2022 their shares shall be transferred to the IEPF Authority within 30 days from 'Due Date', viz. September 21, 2022.

### Details of Shares lying in Unclaimed Suspense Account as on March 31, 2022, are as follows:

Particulars	Number of Shareholders / Folios	Shares
Opening Balance as on April 1, 2021	135	53,432
Add: Transfer during the year 2021-22	0	0
Less: Claim received and shares transferred*	6	4,055
Less: Shares transferred to Investor Education Protection Fund	40	13,756
<b>Closing Balance as on March 31, 2022**</b>	<b>89</b>	<b>35,621</b>

\*Number of shareholders who approached the Bank for the transfer of shares from the suspense account.

\*\*The voting rights on the aforesaid shares shall remain frozen until the rightful owner claims the shares.

**Updating details of shares held in physical mode:**

Securities and Exchange Board of India ('SEBI') vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021, mandated all listed companies to record the PAN, Address with PIN code, e-mail address, Mobile Number, Bank Account details, Specimen Signature and Nomination of the Shareholders. In this regard, the Bank had sent intimation to the shareholder holding shares in physical mode on January 31, 2022.

The relevant formats for updating details viz. Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and the aforesaid SEBI circular are available on the below path on the website of the Bank:

<https://www.linkintime.co.in> Resources > Downloads> General> Formats for KYC.

<https://www.indusind.com/in/en/investors/investor-landing/corporate-announcement.html> i.e. Investors > Investor Relations > Corporate Announcements > SEBI KYC Formats.

The folios of the shareholder holding shares in physical mode, wherein any one of the cited document / details are not available on or after April 1, 2023, shall be frozen. Further, if the said folios remain frozen as on December 31, 2025, the concerned folios will be referred by the Registrar & Share Transfer Agent to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or the Prevention of Money Laundering Act, 2002, as amended.

We therefore, request the concerned shareholders of the Bank to comply with the above-mentioned KYC norms, on priority basis.

**For IndusInd Bank Limited**

**Sd/-**

**Sumant Kathpalia**

**Managing Director & CEO**

**(DIN: 01054434)**

**Place : Mumbai**

**Date : July 18, 2022**

## ANNEXURE I TO THE CORPORATE GOVERNANCE REPORT

### **CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

**To**

**The Members of  
IndusInd Bank Ltd.,**

We have examined the compliance of conditions of Corporate Governance by **IndusInd Bank Ltd.** (“the **Bank**”) for the financial year ended **March 31, 2022**, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”).

We state that the compliance of conditions of Corporate Governance is the responsibility of the management and our examination was limited to procedures and implementation thereof adopted by the Bank for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Bank.

In our opinion, and to the best of our information and according to the explanations given to us and representations made by the management, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of the **SEBI Listing Regulations**.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

**ALWYN JAY & Co.**  
**Company Secretaries**

**Sd/-**  
**[Alwyn D’Souza, FCS.5559]**  
[Partner]  
[Certificate of Practice No.5137]  
[UDIN : F005559D000643130]

Place : Mumbai  
Date : July 18, 2022

Office Address:  
Annex-103, Dimple Arcade,  
Asha Nagar, Kandivali (East),  
Mumbai 400101.

## ANNEXURE II TO THE CORPORATE GOVERNANCE REPORT

### ***DECLARATION ON COMPLIANCE WITH THE CODE OF ETHICS AND CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT***

In compliance with Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, I hereby confirm that all Directors and Senior Management (the term 'Senior Management' means personnel of the Bank who are members of its Core Management Team, and all personnel one level below the Managing Director & CEO, including all Functional Heads) of the Bank have affirmed compliance with the Bank's 'Code of Ethics and Conduct for Directors and Senior Management' for the year ended March 31, 2022.

**For IndusInd Bank Ltd.**

**Sd/-**

**Sumant Kathpalia**  
**Managing Director & CEO**  
**(DIN: 01054434)**

Place : Mumbai  
Date : July 18, 2022

## Independent Auditors' Report

To the Members of IndusInd Bank Limited

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of **IndusInd Bank Limited** ("the Bank"), which comprise the Balance Sheet as at March 31, 2022, the Profit and Loss Account and the Cash Flow Statement for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ("the Act") in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2022, its profit and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### **Emphasis of Matter**

We draw attention to Note 4.11 of Schedule 18 to the standalone financial statements which explains that the extent to which COVID-19 pandemic will impact the Bank's operations and standalone financial statements is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the Year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
<b><u>Information Technology (IT) Controls Framework impacting financial controls</u></b>	
<p>The Bank has a complex IT architecture to support its day - to - day business operations. The volume of transactions processed and recorded is huge. Moreover, a transaction may be required to be recorded across multiple applications depending upon the process and each application has different rules and a different set of user access and authority matrix. These applications are interlinked using different technologies so that data transfer happens in real time or at a particular time of the day; in batches or at a transaction level and in an automated manner or manually. The Core Banking Solution (CBS) itself has many interfaces. All these data streams directly affect the financial accounting and reporting process of the Bank.</p>	<p>IT audit specialists are an integral part of our engagement team. Our approach of testing IT General Controls (ITGC) and IT Application Controls (ITAC) is risk based and business centric.</p> <p>As part of our IT controls testing, we have tested ITGC as well as ITAC. The focus of testing of ITGCs was based on the various parameters such as Completeness, Validity, Identification/ Authentication Authorization, Integrity and Accountability. On the other hand, focus of testing automated controls from applications was whether the controls prevent or detect unauthorized transactions and support financial objectives including completeness, accuracy, authorization and validity of transactions.</p>

Key Audit Matters	How our audit addressed the key audit matter
<p>The Bank has a process for identifying the applications where the controls are embedded. It also has a process to ensure that systems, processes and controls remain relevant. The Bank's IT control framework includes automated, semi-automated and manual controls designed to address identified risks. IT controls are stated in Entity Level Controls (ELC), IT General Controls (ITGC) and IT Application Controls (ITAC).</p> <p>We have identified IT Controls Framework as a Key Audit Matter as the Bank's business is highly dependent on technology, the IT environment is complex and the design and operating effectiveness of IT controls have a direct impact on its financial reporting process. Review of these controls allows us to provide assurance on the integrity and completeness of data processed through various IT applications which are used for the preparation of financial reports.</p>	<p>We gathered an understanding of IT applications landscape implemented at the Bank. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology.</p> <p>In ITGC testing, on sample basis, we reviewed control areas such as User Management, Change Management, Systems Security, cyber security, interface testing, deployment of new applications, Incident Management, Physical &amp; Environmental Security, Backup and Restoration, Business Continuity and Disaster Recovery, Service Level Agreement.</p> <p>For ITAC, we carried out on sample basis, compliance tests of system functionality in order to assess the accuracy of system calculations. We also carried out procedures such as validations and limit checks on data entered into applications, approvals, process dependencies and restriction on time period in which transactions may be recorded.</p> <p>We tested the control environment using various techniques such as inquiry, walkthroughs in live environment, review of documentation/record/reports, observation and re-performance. We also tested few controls using negative testing technique. We had taken adequate samples of instances for our tests considering the audit universe.</p> <p>Wherever deviations were noted either the same were explained to our satisfaction or we tested compensating controls and performed alternate procedures, where necessary, to draw comfort.</p>
<p><b>Classification, Provisioning and Write off of Advances</b></p> <p><b>(Refer Schedule 5, Schedule 9, note 6 of Schedule 17 and note 4.1, 4.7 of Schedule 18 to the standalone financial statements)</b></p>	
<p>The Bank's portfolio of loans and advances to borrowers (net of provisions) amounts to ₹ 2,39,052 crores as at March 31, 2022.</p> <p>As required under prudential norms on Income Recognition, Asset Classification and provisioning pertaining to advances (IRAC norms) issued by the Reserve Bank of India (RBI), "Resolution framework for Covid-19 related Stress" (the "Resolution Framework") issued by the RBI on August 06, 2020 and May 05, 2021 and relevant other circulars, notifications and directives issued by the RBI which were collectively considered by the Bank till March 31, 2022 classifies advances into performing and non-performing advances (NPA) which consists of Standard, Sub-standard, Doubtful and Loss and makes appropriate provisions.</p>	<p>We gained understanding of the processes by carrying out walkthroughs and tested the key controls over borrower risk grading for advances (including larger customer exposures that are monitored individually) for classification of such loans as performing or non-performing. Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>Tested on sample basis, the approval of new lending facilities, the annual review/renewal assessments for existing facilities against the Bank's credit policies, and controls over the monitoring of credit quality;</li> </ul>

Key Audit Matters	How our audit addressed the key audit matter
<p>The Bank, as per its governing framework, made the performing and non-performing advances provisions based on Management’s assessment of the degree of impairment of the advances subject to and guided by minimum provisioning levels prescribed under relevant RBI guidelines.</p> <p>The Classification, Provisioning and Write off of Advances is a Key Audit Matter as the Bank has significant credit risk exposure to a large number of borrowers across various sectors, products, industries and geographies and there is a high degree of complexity, uncertainty and judgment involved in recoverability of advances, nature of transactions and estimation of provisions thereon and identification of accounts to be written off.</p> <p>The same resulted in significant audit efforts to address the risks around loan recoverability and the determination of related provisions.</p> <p>Implementation of the RBI circulars also required the Bank to implement changes in its base Information Technology applications.</p>	<ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to borrower wise classification of loan in the respective asset classes viz., standard, sub-standard, doubtful and loss with reference to their days-past-due (DPD) status (including consideration of non-financial parameters of NPA, restructuring guidelines and Resolution framework) and provisioning of advances. Tested the operating effectiveness of these internal controls;</li> <li>• Tested loans on sample basis to form our own assessment as to whether impact of impairment events have been recognised in a timely manner by the Bank;</li> <li>• Made inquiries of management regarding any effects considered on the NPA identification and / or provisioning, resulting from observations raised by the RBI during their annual inspection of the Bank’s operations;</li> <li>• For the selected non-performing advances, we assessed Management’s forecast and inputs of recoverable cash flows, impact of auditor’s comments on the financial statements, valuation of underlying security and collaterals, estimation of recoverable amounts on default and other sources of repayment;</li> <li>• Obtained the Board approved note for advances written off during the year;</li> <li>• Held specific discussions with the Credit and Risk departments to ascertain how various Early Warning Signal (EWS) and potential defaults have been identified and assessed in identification of NPA;</li> <li>• Performed credit assessments of a sample of corporate and retail loans including larger exposures assessed by Bank showing signs of deterioration, or in areas of emerging risk (assessed against external market conditions). We have reviewed the Bank’s risk grading of the loan, their account statement review and assessment of loan recoverability and the impact on the credit provision. To do this, we used the information on the Borrowers loan file, discussed the case with the concerned officials and senior management, and performed our own assessment of recoverability; and</li> <li>• Reviewed Bank’s policy including Standard Operating Procedures with respect to implementation of Resolution framework (‘guidelines’) and tested sample to ascertain the implementation of those guidelines by the Bank.</li> </ul>

Key Audit Matters	How our audit addressed the key audit matter
	<p><b>Provisions for advances:</b></p> <ul style="list-style-type: none"> <li>• Tested the Bank's processes for making provision on advances for compliance with RBI regulations and internally laid down policies for provisioning;</li> <li>• We had taken the walkthrough of the NPA automation process deployed through CRISMAC in the current financial year and tested the core functionality for selected sample considering the audit universe. Tested the completeness and accuracy of data transferred from underlying source systems used for computing collective provision;</li> <li>• Considered board approved policy and internal laid down policy for higher provision for advances covered under Resolution Framework, stressed sectors, adopted by the Bank;</li> <li>• Validated the parameters used to calculate collective provisions with reference to IRAC norms;</li> <li>• Tested provision created for fraud accounts as at March 31, 2022 as per the RBI circular;</li> <li>• Re-performed, for a sample of retail and corporate portfolios, the calculation of provisions, to determine the accuracy of the same (Collective for standard portfolio and case specific for non performing portfolio);</li> <li>• With respect to holding provision as at March 31, 2022 against the potential impact of Covid-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Bank;</li> <li>• We perused the submissions to the Board of Directors for the NPA Provisioning made as at March 31, 2022;</li> <li>• With respect to the Resolution Framework, we have ensured that the Bank's Board approved policy was in accordance with RBI circulars. On a test check basis, we ensured that restructuring was approved and implemented, and provision made on such restructured accounts are in accordance with the Bank's board approved policy and the resolution framework; and</li> <li>• Assessed the adequacy of disclosures against the RBI Guidelines.</li> </ul>

### Other Information

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report and Management Discussion and Analysis forming part of the Annual Report, but does not include the standalone financial statements, consolidated financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

### ***Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements***

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder, provision of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by RBI from time to time ("RBI Guidelines"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, Banking Regulations Act, 1949 and the RBI Guidelines 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

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 Statements***

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 this 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:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if

such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

One of the current Joint Statutory Auditors has carried out audit of the standalone financial statements of the Bank for the year ended March 31, 2021 and issued an unmodified opinion vide its report dated April 30, 2021.

Our opinion is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

- (1) The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 and section 133 of the Act read with the relevant rules issued thereunder.
- (2) As required under section 143(3) of the Act and section 30(3) of the Banking Regulation Act, 1949, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory;
  - b. In our opinion, the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
  - c. In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
  - d. The financial accounting systems of the Bank are centralized and therefore, accounting returns for the purpose of preparing standalone financial statements are not required to be submitted by the branches; we have visited 40 branches for the purpose of our audit;
  - e. The standalone Balance Sheet, the standalone Profit and Loss Account and the standalone Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - f. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder to the extent they are not inconsistent with the accounting policies prescribed by RBI;
  - g. On the basis of the written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act;
  - h. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Bank and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
  - i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, requirements prescribed under Section 197 of the Act is not applicable by virtue of Section 35B (2A) of the Banking Regulation Act, 1949.

- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014; as amended, in our opinion and to the best of our knowledge and belief, information and according to the explanations given to us:
- (i) The Bank has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its standalone financial statements – Refer Schedule 12 and Schedule 18 - Note 15.3 on Contingent Liabilities to the standalone financial statements;
  - (ii) The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Schedule 18 - Note 3 and 15.4 to the standalone financial statements;
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank - Refer Schedule 18 - Note 15.5 to the standalone financial statements;
  - (iv) (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts under Note No. 15.15 (1) of Schedule 18, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (iv) (b) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts under Note No. 15.15 (2) of Schedule 18, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (iv) (c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.
  - (v) As stated in Note 15.12 to the standalone financial statements:
    - a) The final dividend proposed in the previous year, declared and paid by the Bank during the year is in compliance with section 123 of the Act, as applicable.
    - b) The Board of Directors of the Bank have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General meeting. The amount of dividend proposed is in compliance with Section 123 of the Act, as applicable.

**For Haribhakti & Co. LLP**

Chartered Accountants  
ICAI Firm Registration No.103523W/W100048

**Purushottam Nyati**

Partner  
Membership No. 118970  
UDIN: 22118970AICHCI1020  
Place: Mumbai  
Date: April 29, 2022

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

Chartered Accountants  
ICAI Firm Registration No.101851W

**Anagha Thatte**

Partner  
Membership No. 105525  
UDIN: 22105525AIJVQE4335  
Place: Mumbai  
Date: April 29, 2022

## Annexure A to Independent Auditors' Report

**[Referred to in paragraph 2 (h) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of IndusInd Bank Limited on the standalone financial statements for the year ended March 31, 2022]**

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

We have audited the internal financial controls with reference to financial statements of IndusInd Bank Limited ("the Bank") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

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

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

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to financial statements.

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

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

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

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

### ***Opinion***

In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

#### **For Haribhakti & Co. LLP**

Chartered Accountants  
ICAI Firm Registration No.103523W/W100048

#### **Purushottam Nyati**

Partner  
Membership No. 118970  
UDIN: 22118970AICHCI1020  
Place: Mumbai  
Date: April 29, 2022

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

Chartered Accountants  
ICAI Firm Registration No.101851W

#### **Anagha Thatte**

Partner  
Membership No. 105525  
UDIN: 22105525AIJVQE4335  
Place: Mumbai  
Date: April 29, 2022

## Balance Sheet as at March 31, 2022

	Schedule	As at 31.03.2022	As at 31.03.2021
₹ in '000s			
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	774,66,32	773,37,23
Employee Stock Options Outstanding	18(Note 15.9.2)	16,07,02	5,40,57
Reserves and Surplus	2	46906,49,24	42586,62,92
Deposits	3	293681,34,88	256204,95,68
Borrowings	4	47323,22,31	51322,81,18
Other Liabilities and Provisions	5	13272,78,71	12079,57,17
<b>TOTAL</b>		<b>401974,58,48</b>	<b>362972,74,75</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	15641,16,35	17870,67,91
Balances with Banks and Money at Call and Short Notice	7	52633,32,98	38456,51,18
Investments	8	70970,77,72	69694,70,57
Advances	9	239051,53,46	212595,40,85
Fixed Assets	10	1848,68,68	1809,37,33
Other Assets	11	21829,09,29	22546,06,91
<b>TOTAL</b>		<b>401974,58,48</b>	<b>362972,74,75</b>
Contingent Liabilities	12	923779,75,12	850068,41,10
Bills for Collection		29654,24,56	23601,73,23
Significant Accounting Policies	17		
Notes to the Financial Statements	18		

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

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

As per our report of even date.

**For INDUSIND BANK LIMITED**

**For Haribhakti & Co. LLP**

Chartered Accountants

Firm Registration No: 103523W/W100048

**per Purushottam Nyati**

Partner

Membership No: 118970

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

Chartered Accountants

Firm Registration No: 101851W

**per Anagha Thatte**

Partner

Membership No: 105525

**Arun Tiwari**

Chairman

DIN: 05345547

**Sanjay Asher**

Director

DIN: 00008221

**Gobind Jain**

Chief Financial Officer

**Sumant Kathpalia**

Managing Director

DIN: 01054434

**Bhavna Doshi**

Director

DIN: 00400508

**Girish Koliyote**

Company Secretary

Place : Mumbai

Date : April 29, 2022

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

	Schedule	For the year ended on 31.03.2022	For the year ended on 31.03.2021
₹ in '000s			
<b>I. INCOME</b>			
Interest earned	13	30822,44,23	28999,79,67
Other income	14	7397,04,57	6558,61,20
	Total	<b>38219,48,80</b>	<b>35558,40,87</b>
<b>II. EXPENDITURE</b>			
Interest expended	15	15821,59,78	15471,90,34
Operating expenses	16	9559,29,04	8359,83,18
Provisions and contingencies	18(Note 14.5)	8227,47,65	8890,28,15
	<b>TOTAL</b>	<b>33608,36,47</b>	<b>32722,01,67</b>
<b>III. PROFIT</b>			
Net Profit for the year		4611,12,33	2836,39,20
Profit brought forward		15928,60,89	13483,66,29
	<b>TOTAL</b>	<b>20539,73,22</b>	<b>16320,05,49</b>
<b>IV. APPROPRIATIONS</b>			
a) Transfer to statutory reserve		1152,78,08	709,09,80
b) Transfer to capital reserve		76,80,62	130,01,23
c) Transfer to investment fluctuation reserve account		-	32,78,00
d) Dividend paid		386,99,45	-
e) Deductions (Net) during the year		-	(480,44,43)
		1616,58,15	391,44,60
Balance carried over to the Balance Sheet		18923,15,07	15928,60,89
	<b>TOTAL</b>	<b>20539,73,22</b>	<b>16320,05,49</b>
<b>V. EARNINGS PER EQUITY SHARE</b>			
(Face value of ₹ 10/- per share)			
Basic (₹)	18(Note 16.5)	59.57	38.75
Diluted (₹)	18(Note 16.5)	59.47	38.68
Significant Accounting Policies	17		
Notes to the Financial Statements	18		

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

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

As per our report of even date.

**For Haribhakti & Co. LLP**

Chartered Accountants

Firm Registration No: 103523W/W100048

**per Purushottam Nyati**

Partner

Membership No: 118970

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

Chartered Accountants

Firm Registration No: 101851W

**per Anagha Thatte**

Partner

Membership No: 105525

**Arun Tiwari**

Chairman

DIN: 05345547

**Sanjay Asher**

Director

DIN: 00008221

**Gobind Jain**

Chief Financial Officer

**For INDUSIND BANK LIMITED**

**Sumant Kathpalia**

Managing Director

DIN: 01054434

**Bhavna Doshi**

Director

DIN: 00400508

**Girish Koliyote**

Company Secretary

Place : Mumbai

Date : April 29, 2022

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

	For the year ended 31.03.2022	For the year ended 31.03.2021
		₹ in '000s
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before taxation</b>	<b>6173,65,03</b>	<b>3784,14,57</b>
<b>Adjustments for :</b>		
Depreciation on Fixed assets	321,20,92	305,40,57
Depreciation on Investments	366,40,17	608,81,07
Employees Stock Option expenses	12,31,45	14,15
Loan Loss and Other Provisions	6298,54,78	7333,71,71
Amortisation of premium on HTM investments	375,85,43	239,40,42
Dividend from subsidiary	-	(60,00,00)
(Profit) / Loss on sale of fixed assets	1,03,55	(1,41,99)
<b>Operating Profit before Working Capital changes</b>	<b>13549,01,33</b>	<b>12210,20,50</b>
<b>Adjustments for :</b>		
Increase in Advances	(32754,67,39)	(13145,95,87)
Increase in Investments	(2018,32,74)	(10562,97,72)
(Increase) / Decrease in Other Assets	1341,52,87	(293,06,35)
Increase in Deposits	37476,39,20	54165,14,39
Increase in Other Liabilities	1193,21,55	3002,31,78
<b>Cash generated from Operations</b>	<b>18787,14,82</b>	<b>45375,66,73</b>
Direct Taxes paid (net of refunds)	(2187,07,96)	(730,08,12)
<b>Net Cash generated from Operating Activities</b>	<b>16600,06,86</b>	<b>44645,58,62</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (including WIP)	(368,58,79)	(302,73,48)
Proceeds from sale of Fixed Assets	7,02,96	9,48,89
Dividend from subsidiary	-	60,00,00
<b>Net Cash used in Investing Activities</b>	<b>(361,55,83)</b>	<b>(233,24,59)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares (net of issue expenses)	84,42,85	5334,95,12
Redemption of Long Term Infrastructure Bonds	(500,00,00)	-
Dividends paid	(386,99,45)	-
Redemption of Perpetual Debt instruments	(1000,00,00)	-
Proceeds from Sub-ordinated Tier II capital	2800,00,00	-
Decrease in Borrowings	(5299,58,87)	(9430,73,76)
<b>Net Cash used in Financing Activities</b>	<b>(4302,15,47)</b>	<b>(4095,78,64)</b>

	For the year ended 31.03.2022	For the year ended 31.03.2021
		₹ in '000s
Effect of foreign currency translation reserve	10,94,68	6,98,61
<b>Net Increase in Cash and Cash Equivalents</b>	<b>11947,30,24</b>	<b>40323,54,00</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>56327,19,09</b>	<b>16003,65,09</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>68274,49,33</b>	<b>56327,19,09</b>

**Notes:**

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

As per our report of even date.

**For Haribhakti & Co. LLP**

*Chartered Accountants*

Firm Registration No: 103523W/W100048

**per Purushottam Nyati**

*Partner*

Membership No: 118970

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

*Chartered Accountants*

Firm Registration No: 101851W

**per Anagha Thatte**

*Partner*

Membership No: 105525

Place : Mumbai

Date : April 29, 2022

**For INDUSIND BANK LIMITED**

**Arun Tiwari**

*Chairman*

DIN: 05345547

**Sanjay Asher**

*Director*

DIN: 00008221

**Gobind Jain**

*Chief Financial Officer*

**Sumant Kathpalia**

*Managing Director*

DIN: 01054434

**Bhavna Doshi**

*Director*

DIN: 00400508

**Girish Koliyote**

*Company Secretary*

## Schedules

	As at 31.03.2022	₹ in '000s As at 31.03.2021
<b>SCHEDULE - 1 CAPITAL</b>		
<b>Authorised Capital</b>		
1,00,00,00,000 (Previous year 85,70,00,000) equity shares of ₹ 10 each	<b>1000,00,00</b>	<b>857,00,00</b>
<b>Issued, Subscribed and Called Up Capital</b>		
77,46,63,163 (Previous year 77,33,72,299) equity shares of ₹ 10 each	<b>774,66,32</b>	<b>773,37,23</b>
<b>Paid up Capital</b>		
77,46,63,163 (Previous year 77,33,72,299) equity shares of ₹ 10 each [Refer Schedule 18(Note 1.1)]	774,66,32	773,37,23
<b>TOTAL</b>	<b>774,66,32</b>	<b>773,37,23</b>
<b>SCHEDULE - 2 RESERVES AND SURPLUS</b>		
<b>I Statutory Reserve</b>		
Opening balance	6987,31,95	6278,22,15
Additions during the year	1152,78,08	709,09,80
	<b>8140,10,03</b>	<b>6987,31,95</b>
<b>II Share Premium Account</b>		
Opening balance	18359,23,70	12426,09,31
Additions during the year [Refer Schedule 18(Note 1.1)]	84,78,76	5961,96,00
Less: Share issue expenses	-	(28,81,61)
	<b>18444,02,46</b>	<b>18359,23,70</b>
<b>III Revaluation Reserve</b>		
Opening balance	313,60,62	319,57,89
Transfer to General Reserve	(5,97,27)	(5,97,27)
	<b>307,63,35</b>	<b>313,60,62</b>
<b>IV Foreign Currency Translation Reserve</b>		
Opening balance	24,20,51	17,21,90
Additions during the year	10,94,68	6,98,61
	<b>35,15,19</b>	<b>24,20,51</b>
<b>V Revenue and Other Reserve</b>		
<b>(a) General Reserve</b>		
Opening balance	14,30,11	8,32,84
Transfer from Revaluation Reserve	5,97,27	5,97,27
	<b>20,27,38</b>	<b>14,30,11</b>
<b>(b) Capital Reserve</b>		
Opening balance	557,04,15	427,02,92
Additions during the year	76,80,62	130,01,23
	<b>633,84,77</b>	<b>557,04,15</b>
<b>(c) Investment Fluctuation Reserve</b>		
Opening balance	351,68,08	318,90,08
Additions during the year [Refer Schedule 18(Note 2.2)]	-	32,78,00
	<b>351,68,08</b>	<b>351,68,08</b>

**Schedules (Contd.)**

	As at 31.03.2022	₹ in '000s As at 31.03.2021
<b>(d) Amalgamation Reserve</b>		
Opening balance	50,62,91	50,62,91
Additions on Amalgamation	-	-
	<u>50,62,91</u>	<u>50,62,91</u>
<b>Total Revenue &amp; Other Reserve</b>	<b>1056,43,14</b>	<b>973,65,25</b>
<b>VI Balance in the Profit and Loss Account</b>	18923,15,07	15928,60,89
<b>TOTAL</b>	<b>46906,49,24</b>	<b>42586,62,92</b>
<b>SCHEDULE - 3 DEPOSITS</b>		
<b>A I Demand Deposits</b>		
i) From Banks	638,76,01	731,73,60
ii) From Others	36200,18,72	35328,40,31
<b>II Savings Bank Deposits</b>	88825,56,41	71065,44,78
<b>III Term Deposits</b>		
i) From Banks	9341,01,50	20800,06,20
ii) From Others	158675,82,24	128279,30,79
<b>TOTAL</b>	<b>293681,34,88</b>	<b>256204,95,68</b>
<b>B Deposits of Branches</b>		
I In India	291472,40,40	252372,01,07
II Outside India	2208,94,48	3832,94,61
<b>TOTAL</b>	<b>293681,34,88</b>	<b>256204,95,68</b>
<b>SCHEDULE - 4 BORROWINGS</b>		
<b>I Borrowings in India</b>		
i) Reserve Bank of India	-	-
ii) Other Banks	-	24,13,40
iii) Other Institutions and Agencies	24650,22,00	34576,95,00
iv) Borrowing in form of bonds and debentures (excluding subordinated Debt)	1500,00,00	2000,00,00
v) Capital Instruments		
a) Unsecured non-convertible perpetual non-cumulative bonds (Subordinated additional tier 1 capital)	2489,90,00	3489,90,00
b) Unsecured non-convertible redeemable debentures/bonds (Subordinated debt tier 2 bond)	2800,00,00	-
<b>II Borrowings outside India</b>	15883,10,31	11231,82,78
<b>TOTAL</b>	<b>47323,22,31</b>	<b>51322,81,18</b>
Secured borrowings, other than Market repo borrowings, including tri-party repo, and borrowings from RBI under Liquidity Adjustment Facility/ Marginal Standing Facility	-	-

## Schedules (Contd.)

	As at 31.03.2022	₹ in '000s As at 31.03.2021
<b>SCHEDULE - 5 OTHER LIABILITIES AND PROVISIONS</b>		
I Bills payable	844,24,47	661,78,55
II Inter-office adjustments (net)	-	204,09,80
III Interest accrued	1311,01,90	1450,81,18
IV Others [Refer Schedule 18(Note 4.1) for Standard Assets Provisions]	11117,52,34	9762,87,64
<b>TOTAL</b>	<b>13272,78,71</b>	<b>12079,57,17</b>
<b>SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA</b>		
I Cash in hand (including foreign currency notes)	1269,68,32	1348,29,23
II Balances with Reserve Bank of India		
i) In Current Account	14371,48,03	16522,38,68
ii) In Other Accounts	-	-
<b>TOTAL</b>	<b>15641,16,35</b>	<b>17870,67,91</b>
<b>SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE</b>		
<b>I In India</b>		
i) Balances with Banks		
a) In Current Accounts	227,82,38	356,85,53
b) In Other Deposit Accounts	44500,25,73	20104,47,02
ii) Money at Call and Short Notice		
a) With Banks	-	1900,00,00
b) With Other Institutions	-	9395,63,67
<b>TOTAL</b>	<b>44728,08,11</b>	<b>31756,96,22</b>
<b>II Outside India</b>		
i) In Current Accounts	3736,66,12	3226,82,46
ii) In Other Deposit Accounts	3221,18,12	-
iii) Money at Call and Short Notice	947,40,63	3472,72,50
<b>TOTAL</b>	<b>7905,24,87</b>	<b>6699,54,96</b>
<b>GRAND TOTAL</b>	<b>52633,32,98</b>	<b>38456,51,18</b>

**Schedules (Contd.)**

		₹ in '000s	
		As at 31.03.2022	As at 31.03.2021
<b>SCHEDULE - 8 INVESTMENTS</b>			
<b>I</b>	<b>In India</b>		
	i) Government securities*	66683,97,74	64896,33,63
	ii) Other approved securities	-	-
	iii) Shares	846,63,08	831,22,75
	iv) Debentures and bonds	255,31,52	419,07,66
	v) Subsidiaries and / or Joint Ventures	43,70,35	43,70,35
	vi) Others - Certificate of Deposits, Commercial Papers, Security Receipts, Pass Through Certificates, Units of schemes of Mutual Funds, Venture Capital Funds and Others	2875,99,45	3138,82,82
<b>II</b>	<b>Outside India</b>		
	i) Government securities	265,15,58	365,53,36
	<b>TOTAL</b>	<b>70970,77,72</b>	<b>69694,70,57</b>
<b>III</b>	<b>Investment in India</b>		
	i) Gross value of investments	71776,35,21	70097,41,12
	ii) Aggregate of provision for depreciation	1070,73,07	768,23,91
	iii) Net investments (i-ii)	70705,62,14	69329,17,21
<b>IV</b>	<b>Investment outside India</b>		
	i) Gross value of investments	265,15,58	365,53,36
	ii) Aggregate of provision for depreciation	-	-
	iii) Net investments (i-ii)	265,15,58	365,53,36
* Includes securities of ₹ 2,779.03 crores (previous year ₹ 2,076.90 crores) pledged for clearing facility and margin requirements			
<b>SCHEDULE - 9 ADVANCES</b>			
<b>A</b>			
	i) Bills purchased and discounted	10127,87,39	3474,04,95
	ii) Cash credits, overdrafts and loans repayable on demand	62999,84,76	49560,38,81
	iii) Term loans	165923,81,31	159560,97,09
	<b>TOTAL</b>	<b>239051,53,46</b>	<b>212595,40,85</b>
<b>B</b>			
	i) Secured by tangible assets [Refer Schedule 18(Note 6.5)]	156340,14,47	157006,09,32
	ii) Covered by Bank/ Government Guarantees (including advances against L/Cs issued by Banks)	6374,78,35	5889,20,64
	iii) Unsecured	76336,60,64	49700,10,89
	<b>TOTAL</b>	<b>239051,53,46</b>	<b>212595,40,85</b>
<b>C</b>	<b>I</b>		
	<b>Advances in India</b>		
	i) Priority Sector	90375,92,97	80358,25,90
	ii) Public Sector	8946,12,63	4089,44,74
	iii) Banks	251,92,45	-
	iv) Others	132238,55,00	121567,35,62
	<b>TOTAL ADVANCES IN INDIA</b>	<b>231812,53,05</b>	<b>206015,06,26</b>

## Schedules (Contd.)

		₹ in '000s	
		As at 31.03.2022	As at 31.03.2021
II	Advances Outside India		
i)	Due from banks	265,16,84	185,93,70
ii)	Due from others	6973,83,57	6394,40,89
(a)	Bills purchased and discounted	1408,44,37	991,20,69
(b)	Syndicated loans	-	-
(c)	Others	5565,39,20	5403,20,20
	<b>TOTAL ADVANCES OUTSIDE INDIA</b>	<b>7239,00,41</b>	<b>6580,34,59</b>
	<b>GRAND TOTAL</b>	<b>239051,53,46</b>	<b>212595,40,85</b>
<b>SCHEDULE - 10 FIXED ASSETS</b>			
I	<b>Premises</b>		
i)	At cost as on 31st March of the preceding year	869,98,25	874,15,74
ii)	Additions during the year	-	-
		<b>869,98,25</b>	<b>874,15,74</b>
iii)	Less : Deductions during the year	-	4,17,49
iv)	Less : Depreciation to date [Refer Schedule 18(Note 15.8)]	131,27,51	117,92,57
	<b>TOTAL</b>	<b>738,70,74</b>	<b>752,05,68</b>
II	<b>Other Fixed Assets (including furniture and fixtures)</b>		
i)	At cost as on 31st March of the preceding year	2734,16,12	2464,24,94
ii)	Additions during the year	349,30,43	305,49,85
		<b>3083,46,55</b>	<b>2769,74,79</b>
iii)	Less : Deductions during the year	53,95,95	35,58,67
iv)	Less : Depreciation to date [Refer Schedule 18(Note 15.8)]	2014,04,01	1752,07,46
	<b>TOTAL</b>	<b>1015,46,59</b>	<b>982,08,66</b>
III	<b>Capital Work in Progress (Net of provision)</b>	94,51,35	75,22,99
	<b>GRAND TOTAL</b>	<b>1848,68,68</b>	<b>1809,37,33</b>
<b>SCHEDULE - 11 OTHER ASSETS</b>			
I	Interest accrued	2016,58,78	2013,61,25
II	Tax paid in advance / tax deducted at source	1212,75,55	756,37,16
III	Stationery and stamps	49,26	49,90
IV	Non-banking assets acquired in satisfaction of claims [Refer Schedule 18(Note 15.11)]	63,96,57	414,10,07
V	Others [Refer Schedule 18(Note 16.6)]	18535,29,13	19361,48,53
	<b>TOTAL</b>	<b>21829,09,29</b>	<b>22546,06,91</b>
<b>SCHEDULE - 12 CONTINGENT LIABILITIES</b>			
I	Claims against the Bank not acknowledged as debts	733,37,97	482,35,63
II	Liability for partly paid investments	-	-
III	Liability on account of outstanding forward exchange contracts	411634,15,77	381550,05,58
IV	Liability on account of outstanding derivative contracts	427189,17,47	382279,24,19
V	Guarantees given on behalf of constituents		
-	In India	61109,94,48	60033,47,72
-	Outside India	308,09,65	843,94,00
VI	Acceptances, endorsements and other obligations	22714,03,91	24813,08,82
VII	Other Items for which the bank is contingently liable	90,95,87	66,25,16
	<b>TOTAL</b>	<b>923779,75,12</b>	<b>850068,41,10</b>

**Schedules (Contd.)**

	For the Year ended on 31.03.2022	₹ in '000s For the Year ended on 31.03.2021
<b>SCHEDULE - 13 INTEREST EARNED</b>		
I Interest/ discount on advances/ bills	25143,43,83	24085,34,77
II Income on investments	4052,87,81	3846,10,76
III Interest on balances with Reserve Bank of India and other inter-bank funds	1288,36,19	677,36,84
IV Others	337,76,40	390,97,30
<b>TOTAL</b>	<b>30822,44,23</b>	<b>28999,79,67</b>
<b>SCHEDULE - 14 OTHER INCOME</b>		
I Commission, exchange and brokerage	4509,28,60	3478,14,50
II Profit on sale of investments (net)	593,15,87	1486,19,35
III Profit / (Loss) on sale of land, buildings and other assets (net)	(1,03,55)	1,41,99
IV Profit on exchange transactions / derivatives (net)	1730,84,39	1321,20,39
V Income Earned by way of dividends from subsidiaries in India	-	60,00,00
VI Miscellaneous Income	564,79,26	211,64,97
<b>TOTAL</b>	<b>7397,04,57</b>	<b>6558,61,20</b>
<b>SCHEDULE - 15 INTEREST EXPENDED</b>		
I Interest on deposits	12430,28,58	11459,07,59
II Interest on Reserve Bank of India / inter-bank borrowings	243,24,40	523,23,33
III Others	3148,06,80	3489,59,42
<b>TOTAL</b>	<b>15821,59,78</b>	<b>15471,90,34</b>
<b>SCHEDULE - 16 OPERATING EXPENSES</b>		
I Payments to and provisions for employees	2488,34,24	2213,51,06
II Rent, taxes and lighting	500,89,38	421,03,22
III Printing and stationery	75,20,89	59,56,95
IV Advertisement and publicity	67,01,48	50,20,59
V Depreciation on bank's property	321,20,92	305,40,57
VI Director's fees, allowances and expenses	4,43,92	3,68,18
VII Auditor's fees and expenses	2,99,66	2,15,26
VIII Law charges	48,34,67	59,50,31
IX Postage, Telegrams, Telephones, etc.	149,74,77	130,04,87
X Repairs and maintenance	332,09,51	329,26,32
XI Insurance	381,84,30	285,53,46
XII Other expenditure [Refer Schedule 18(Note 15.16)]	5187,15,30	4499,92,39
<b>TOTAL</b>	<b>9559,29,04</b>	<b>8359,83,18</b>

## Schedule 17 Significant accounting policies

### **Background**

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

### **1. Basis of preparation**

- 1.1** The accompanying financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting except where otherwise stated and in accordance with statutory requirements prescribed under the Banking Regulation Act 1949, circulars and guidelines issued by RBI from time to time (RBI guidelines), accounting standards referred to in Section 133 of the Companies Act, 2013 (the Act) read together with the Companies (Accounting Standards) Amendment Rules, 2006 (as amended from time to time) and other relevant provisions of the Act in so far as they apply to the Bank and practices prevailing within the banking industry in India.

### **2. Use of Estimates**

- 2.1** The preparation of the financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities (including contingent liabilities) at the date of the financial statements, revenues and expenses during the reporting period. Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Any revision to accounting estimates is recognised prospectively in current and future periods.

### **3. Transactions involving Foreign Exchange**

- 3.1** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- 3.2** Monetary assets and liabilities of domestic and integral foreign operations denominated in foreign currency are translated at the Balance Sheet date at the closing rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resulting gains or losses are recognised in the Profit and Loss account.
- 3.3** Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and all non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- 3.4** Both monetary and non-monetary assets and liabilities of non-integral foreign operations are translated at the Balance Sheet date at the closing rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resulting gains or losses are accumulated in the foreign currency translation reserve until disposal of the net investment at which time they are recognised in Profit and Loss Account as gains or losses.
- 3.5** All foreign exchange forward contracts outstanding at the Balance Sheet date are re-valued on present value basis and the resulting gains or losses are recognised in the Profit and Loss account.
- 3.6** Swap Cost arising on account of foreign currency swap contracts to convert foreign currency funded liabilities and assets into rupee liabilities and assets is amortised to the Profit and Loss account under the head 'Interest – Others' over the life of swap contracts.
- 3.7** Income and expenditure of domestic and integral foreign operations denominated in a foreign currency is translated at the rates of exchange prevailing on the date of the transaction. Income and expenditure of non-integral foreign operations is translated at quarterly average closing rates.

- 3.8** Contingent liabilities at the Balance Sheet date on account of outstanding forward foreign exchange contracts, guarantees, acceptances, endorsements and other obligations denominated in a foreign currency are stated at the closing rates of exchange notified by the FEDAI.

## 4. Investments

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

### 4.1 Categorisation of Investments

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

- (i) **Held to Maturity (HTM)** – Securities acquired with the intention to hold till maturity.
- (ii) **Held for Trading (HFT)** – Securities acquired with the intention to trade. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are transferred to AFS category.
- (iii) **Available for Sale (AFS)** – Securities which do not fall within the above two categories.

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

### 4.2 Classification of Investments

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

### 4.3 Acquisition cost

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

### 4.4 Valuation of Investments

- (i) **Held to Maturity** – Each security in this category is carried at its acquisition cost or amortised cost. Any premium on acquisition of the security is amortised over the balance period to maturity. The premium amortization is recognized in Profit and Loss Account under Interest earned – Income on investments (Item II of Schedule 13). The book value of the security is reduced to the extent of premium amortized. Diminution, other than temporary, is determined and provided for each investment individually.
- (ii) **Held for Trading** – Securities are valued scripwise and depreciation / appreciation is aggregated for each classification. The book value of the individual securities is not changed as a result of periodic valuations. Net appreciation in each classification is ignored, while net depreciation is provided for.
- (iii) **Available for Sale** – Securities are valued scrip-wise and depreciation / appreciation is aggregated for each classification. The book value of the individual securities is not changed as a result of periodic valuations. Net appreciation in each classification is ignored, while net depreciation is provided for.
- (iv) Market value of government securities (excluding treasury bills) is determined on the basis of the prices / YTM published by Financial Benchmark India Private Limited (FBIL).
- (v) Treasury bills, commercial papers and certificate of deposits are valued at carrying cost, which includes discount accreted over the period to maturity.
- (vi) Fair value of other debt securities is determined based on the yield curve published by FBIL and credit spreads provided by Fixed Income Money Market and Derivatives Association (FIMMDA).

- (vii) Quoted equity shares held under AFS and HFT categories are valued at the closing price on a recognised stock exchange, in accordance with the RBI guidelines. Unquoted equity shares are valued at their break-up value or at ₹ 1 per company where the latest Balance Sheet is not available continuously for more than 18 months as on the date of valuation.
- (viii) Units of the schemes of mutual funds are valued at latest Net Asset Value (NAV) provided by the respective schemes of mutual funds.
- (ix) Investments in equity shares held as long-term investments by erstwhile IndusInd Enterprises & Finance Limited and Ashok Leyland Finance Limited (since merged with the Bank) are valued at cost and classified under HTM category. Provision towards diminution in the value of such long-term investments is made only if the diminution in value is not temporary in the opinion of management.
- (x) Investment in subsidiaries and associate companies are classified as part of HTM category and valued at cost. Such investments are assessed for impairment and any other than temporary diminution in value is provided for.
- (xi) Security Receipts (SR) are valued at the lower of redemption value and NAV obtained from the Securitisation Company (SC) / Reconstruction Company (RC). In respect of significant investment in SRs backed by stressed assets sold by the Bank, the value is subject to a prudential floor considering the asset classification of the stressed assets, had they remained on the books of the Bank.
- (xii) Purchase and sale transaction in securities are recorded under Settlement Date method of accounting, except in the case of the equity shares where Trade Date method of accounting is followed.
- (xiii) Provision for non-performing investments is made in conformity with RBI guidelines.
- (xiv) Repurchase (Repo) and Reverse Repurchase (Reverse Repo) transactions (including transactions under Liquidity Adjustment Facility (LAF) with RBI) are accounted for as collateralised borrowing and lending respectively. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income.
- (xv) In respect of the short sale transactions in Central Government dated securities, the short position is covered by outright purchase of an equivalent amount of the same security within a maximum period of three months including the day of trade. The short position is reflected as the amount received on sale in a separate account and is classified under 'Investments'. The short position is categorized under the HFT portfolio and is accounted for accordingly.
- (xvi) Profit or loss in respect of sale of investments is included in the Schedule 14 under Profit on Sale of Investments(net). In respect of profit from sale of investments under HTM category, an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such profits) is appropriated from the Profit and Loss Appropriation account to Capital Reserve account.
- (xvii) In the event, provisions created on account of depreciation in the AFS or HFT categories are found to be in excess of the required amount in any year, the excess is credited to the Profit and Loss account and an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such excess provisions) is appropriated to an Investment Reserve Account (IRA).

The balance in IRA account is used to meet provision on account of depreciation in AFS and HFT categories by transferring an equivalent amount to the Profit and Loss Appropriation account as and when required.
- (xviii) Out of net profits earned during the year, transfer is made to Investment Fluctuation Reserve, for an amount not less than the lower of the (a) net profit on sale of investments during the year or (b) net profit for the year less mandatory appropriations, till the balance in such Investment Fluctuation Reserve reaches a level of at least 2% of the aggregate HFT and AFS portfolio. Draw down, if any, from the Investment Fluctuation Reserve shall be in accordance with the applicable RBI guidelines.

- 4.5** Investments in unquoted units of Venture Capital Funds (VCF) and Alternative Investment Funds (AIF) are categorised under HTM category for initial period of three years and valued at cost as per RBI guidelines. Units of VCF and AIF held under AFS category, where current quotations are not available, are marked to market based on the Net Asset Value (NAV) shown by VCF or AIF as per the latest audited financials of the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹ 1 per VCF or AIF, as the case may be.
- 4.6** In accordance with RBI Circular on Transfer of Loans dated September 24, 2021, the SRs backed by its transferred loans and issued under that securitisation, the valuation of such SRs by the transferor will be additionally subject to a floor of face value of the SRs reduced by the provisioning rate as applicable to the underlying loans, had the loans continued in the books of the transferor.

## **5. Derivatives**

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

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

## **6. Advances**

- 6.1** Advances are classified as per RBI guidelines into standard, sub-standard, doubtful and loss assets after considering subsequent recoveries to date.
- 6.2** A general provision on standard assets is made in accordance with RBI guidelines for the funded outstanding on global portfolio basis. In respect of stressed advances which are not yet classified non-performing, contingent provisions are made prudentially. Provision made against standard assets is included in 'Other Liabilities and Provisions - Others'.
- 6.3** Unhedged Foreign Currency Exposures (UFCE) of Clients are subject to incremental provisions basis assessment of estimated risk in line with RBI guidelines. Provision made towards UFCE and consequent further capital held under Basel III Capital regulations are disclosed separately. The provision forms a part of provision on standard assets.

- 6.4 Specific provisions for non-performing advances and floating provisions are made in conformity with RBI guidelines. In addition, the Bank considers accelerated provisioning based on past experience, and other related factors including underlying securities.
- 6.5 For restructured/rescheduled assets, provision is made in accordance with the guidelines issued by RBI, which requires the diminution in the fair value of the assets to be computed as the fair value of loans before and after restructuring. The restructured accounts are classified in accordance with RBI guidelines.
- 6.6 Advances are disclosed in the Balance Sheet, net of specific provisions and interest suspended for non performing advances, and floating provisions.
- 6.7 Advances exclude derecognised securitised advances, inter-bank participation certificates issued and bills rediscounted.
- 6.8 Amounts recovered during the year against bad debts written off in earlier years are recognised in the Profit and Loss account. Provision no longer considered necessary in the context of the current status of the borrower as a performing asset, are written back to the Profit and Loss account to the extent such provisions were charged to the Profit and Loss account.
- 6.9 Further to the provisions held according to the asset classification status, provision is held in accordance with RBI guidelines for individual country exposures (other than for home country exposure), where the net funded exposure of a country is one percent or more of the total assets. Provision held for country risk is included under 'Other Liabilities and Provisions'.
- 6.10 The Bank makes floating provision as per the Board approved policy, which is in addition to the specific and general provisions made by the Bank. The floating provision is utilised, with the approval of Board and RBI, if required. The floating provision is netted-off from advances.

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

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

## 8. Property, Plant and Equipment

- 8.1** Fixed assets are stated at cost (except in the case of premises which were re-valued based on values determined by approved valuers) less accumulated depreciation and impairment, if any. Cost includes incidental expenditure incurred on the assets before they are ready for intended use.
- 8.2** The appreciation on account of revaluation is credited to Revaluation Reserve. In case of revalued/impaired assets, depreciation is provided over the remaining useful life of the assets with reference to revised asset values. In case of premises, which are carried at revalued amounts, the depreciation on the excess of revalued amount over historical cost is transferred from Revaluation Reserve to General Reserve annually.

Depreciation, including amortisation of intangible assets, is provided over the useful life of the assets, *pro rata* for the period of use, on a straight-line method. The useful life estimates prescribed in Part C of Schedule II to the Companies Act, 2013 are generally adhered to, except in respect of asset classes where, based on technical evaluation, a different estimate of useful life is considered suitable. Pursuant to this policy, the useful life estimates in respect of the following assets are as follows:

- (a) Computers at 3 years
- (b) Application software and perpetual software licences at 5 years
- (c) Printers, Scanners, Routers, Switch at 5 years
- (d) ATMs at 7 years
- (e) Network cabling, Electrical Installations, Furniture and Fixtures, Other Office Machinery at 10 years
- (f) Vehicles at 5 years
- (g) Buildings at 60 years

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

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

### Non-banking assets:

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

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

## 9. Revenue Recognition

- 9.1** Interest and discount income on performing assets is recognised on accrual basis. Interest and discount income on non-performing assets is recognised on realisation.
- 9.2** Interest on Government securities, debentures and other fixed income securities is recognised on a period proportion basis. Income on discounted instruments is recognised over the tenor of the instrument on a Constant Yield to Maturity method.
- 9.3** Dividend income is accounted on accrual basis when the right to receive dividend is established.

- 9.4 Commission (except for commission on Deferred Payment Guarantees which is recognised over the term on a straight line basis), Exchange and Brokerage are recognised on a transaction date and net of directly attributable expenses.
- 9.5 Fees are recognised on an accrual basis when binding obligation to recognise the fees has arisen as per agreement, except in cases where the Bank is uncertain of realisation.
- 9.6 Income from distribution of third party products is recognised on the basis of business booked.
- 9.7 The Bank in accordance with RBI circular FIDD.CO.Plan.BC.5/04.09.01/2020-21 dated September 4, 2020, trades in priority sector portfolio by selling or buying PSLC. There is no transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income'.
- 9.8 Gain / loss on sell down of loans is recognised in line with the extant RBI guidelines.

## 10. Operating Leases

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

## 11. Employee Benefits

- 11.1 The Gratuity scheme of the Bank is a defined benefit scheme and the expense for the year is recognized on the basis of actuarial valuation at the Balance Sheet date. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that gives rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Payment obligations under the Group Gratuity scheme are managed through purchase of appropriate policies from insurers.
- 11.2 Provident Fund contribution, under defined benefit plan is made to trusts separately established for the purpose, when an employee covered under the scheme renders the related service. The rate at which the annual interest is payable to the beneficiaries by the trusts is being administered by the government. The Bank has an obligation to make good the shortfall, if any, between the return from the investments of the trusts and the notified interest rates. Actuarial valuation of this Provident Fund interest shortfall is done as per the guidance note on Valuation of Interest Rate Guarantees on Exempt Provident Funds under AS 15 (Revised) issued by the Institute of Actuaries of India, and such shortfall, if any, is provided for.

Provident Fund contribution, under defined contribution plan, is made to the scheme administered by Regional Provident Fund Commissioner (RPFC) and is debited to the Profit and Loss Account, when an employee renders the related service. The Bank has no further obligations.

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

- 11.3 Provision for compensated absences is made on the basis of actuarial valuation as at the Balance Sheet date. The actuarial valuation is carried out using the Projected Unit Credit Method.
- 11.4 The Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after March 31, 2021 in accordance with RBI guidelines. Accordingly, fair value of share-linked instruments on the date of grant are recognised as an expense for all instruments granted after the

accounting period ended March 31, 2021. The fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes option pricing model and is recognised as compensation expense over the vesting period.

## 12. Segment Reporting

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

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

## 13. Debit and Credit Card reward points liability

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

## 14. Bullion

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

## 15. Income-tax

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

## **16. Earnings per share**

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

## **17. Provisions, contingent liabilities and contingent assets**

**17.1** A provision is recognized when there is a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**17.2** A disclosure of contingent liability is made when there is:

- (a) A possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the bank; or
- (b) A present obligation arising from a past event which is not recognized as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

**17.3** When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**17.4** Contingent assets are not recognized or disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the assets and related income are recognized in the period in which the change occurs.

## **18. Cash and Cash equivalents**

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

## **19. Corporate Social Responsibility**

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

## Schedule 18 Notes forming part of the Financial Statements

### 1. Capital

#### 1.1 Capital Issue

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

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

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

#### 1.2 Capital Adequacy Ratio

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

Under Basel III Capital Regulations, with effect from October 1, 2021, on an on-going basis, the Bank has to maintain a Minimum Total Capital of 11.500% (Previous year 10.875%) including Capital Conversion Buffer at 2.500% (Previous year 1.875%), of the total risk weighted assets. Out of the Minimum Total Capital, at least 8.000% (Previous year 7.375%) of risk weighted assets, which includes 2.500% (Previous year 1.875%) towards Capital Conservation Buffer, shall be from Common Equity Tier 1 capital and at least 7.000% (Previous year 7.000%) from Tier 1 capital. The capital adequacy ratio of the Bank is set out below:

(₹ in crores)

Sr. No.	Particulars	March 31, 2022	March 31, 2021
i)	Common Equity Tier 1 capital (CET 1)	47,103.08	42,433.07
ii)	Additional Tier 1 capital	2,489.90	3,489.90
iii)	Tier 1 capital (i + ii)	49,592.98	45,922.97
iv)	Tier 2 capital	4,778.07	1,510.50
v)	Total capital (Tier 1+Tier 2)	54,371.05	47,433.47
vi)	Total Risk Weighted Assets (RWAs)	2,95,131.06	2,72,912.38
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	15.96%	15.55%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	16.80%	16.83%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.62%	0.55%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	18.42%	17.38%
xi)	Leverage Ratio	9.97%	10.14%
xii)	Percentage of the shareholding of Government of India	0.00%	0.00%

Sr. No.	Particulars	March 31, 2022	March 31, 2021
xiii)	Amount of paid-up equity capital raised during the year (including share premium)	86.08	6,012.98
xiv)	Amount of non-equity Tier 1 capital raised during the year, of which	-	-
	a) Basel III compliant Perpetual Non-Cumulative Preference Shares	-	-
	b) Basel III compliant Perpetual Debt Instruments	-	-
xv)	Amount of Tier 2 capital raised during the year, of which	2,800.00	-
	a) Basel III compliant Perpetual Non-Cumulative Preference Shares	-	-
	b) Basel III compliant Debt Capital Instruments	2,800.00	-

The Bank has raised unsecured, redeemable, subordinated Tier 2 Basel III compliant non-convertible taxable Bonds on October 29, 2021, through private placement basis at par, aggregating to total size of ₹ 2,800 crores with a tenor of 10 years which will augment Capital Funds as well as the long-term resources of the Bank.

The Bank has redeemed unsecured, redeemable, subordinated Tier 1 Basel III compliant non-convertible taxable Bonds by exercising the call option on March 22, 2022 of ₹ 1,000 crores.

2. Investments

2.1 Composition of Investment Portfolio  
As at March 31, 2022

(₹ in crores)

Particulars	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
<b>Held to Maturity</b>											
Gross	56,360.97	-	0.94	-	43.70	184.87	56,590.48	-	-	-	56,590.48
Less: Provision for non-performing Investments (NPI)	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>56,360.97</b>	<b>-</b>	<b>0.94</b>	<b>-</b>	<b>43.70</b>	<b>184.87</b>	<b>56,590.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,590.48</b>
<b>Available for Sale</b>											
Gross	10,326.22	-	951.01	291.21	-	3,614.83	15,183.27	265.16	-	-	15,448.43
Less: Provision for depreciation and NPI	(3.21)	-	(107.92)	(35.89)	-	(923.71)	(1,070.73)	-	-	-	(1,070.73)
<b>Net</b>	<b>10,323.01</b>	<b>-</b>	<b>843.09</b>	<b>255.32</b>	<b>-</b>	<b>2,691.12</b>	<b>14,112.54</b>	<b>265.16</b>	<b>-</b>	<b>-</b>	<b>14,377.70</b>
<b>Held for Trading</b>											
Gross	-	-	2.60	-	-	-	2.60	-	-	-	2.60
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>-</b>	<b>-</b>	<b>2.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.60</b>
<b>Total Investments</b>	<b>66,687.19</b>	<b>-</b>	<b>954.55</b>	<b>291.21</b>	<b>43.70</b>	<b>3,799.70</b>	<b>71,776.35</b>	<b>265.16</b>	<b>-</b>	<b>-</b>	<b>72,041.51</b>
Less: Provision for depreciation and NPI	(3.21)	-	(107.92)	(35.89)	-	(923.71)	(1,070.73)	-	-	-	(1,070.73)
<b>Net</b>	<b>66,683.98</b>	<b>-</b>	<b>846.63</b>	<b>255.32</b>	<b>43.70</b>	<b>2,875.99</b>	<b>70,705.62</b>	<b>265.16</b>	<b>-</b>	<b>-</b>	<b>70,970.78</b>
<b>As at March 31, 2021</b>											
Particulars	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
<b>Held to Maturity</b>											
Gross	52,671.03	-	0.94	-	43.70	163.19	52,878.86	-	-	-	52,878.86
Less: Provision for non-performing Investments (NPI)	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>52,671.03</b>	<b>-</b>	<b>0.94</b>	<b>-</b>	<b>43.70</b>	<b>163.19</b>	<b>52,878.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,878.86</b>
<b>Available for Sale</b>											
Gross	12,225.30	-	950.23	454.10	-	3,588.92	17,218.55	365.54	-	-	17,584.09
Less: Provision for depreciation and NPI	-	-	(119.94)	(35.02)	-	(613.28)	(768.24)	-	-	-	(768.24)
<b>Net</b>	<b>12,225.30</b>	<b>-</b>	<b>830.29</b>	<b>419.08</b>	<b>-</b>	<b>2,975.64</b>	<b>16,450.31</b>	<b>365.54</b>	<b>-</b>	<b>-</b>	<b>16,815.85</b>
<b>Held for Trading</b>											
Gross	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Investments</b>	<b>64,896.33</b>	<b>-</b>	<b>951.17</b>	<b>454.10</b>	<b>43.70</b>	<b>3,752.11</b>	<b>70,097.41</b>	<b>365.54</b>	<b>-</b>	<b>-</b>	<b>70,462.95</b>
Less: Provision for depreciation and NPI	-	-	(119.94)	(35.02)	-	(613.28)	(768.24)	-	-	-	(768.24)
<b>Net</b>	<b>64,896.33</b>	<b>-</b>	<b>831.23</b>	<b>419.08</b>	<b>43.70</b>	<b>3,138.83</b>	<b>69,329.17</b>	<b>365.54</b>	<b>-</b>	<b>-</b>	<b>69,694.71</b>

**2.2 Movement of Provisions for Depreciation and Investment Fluctuation Reserve (IFR)**

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	768.24	1,361.11
b) Add: Provisions made during the year	541.39	227.09
c) Less: Write off / write back of excess provisions during the year	238.90	819.96
d) Closing balance	1,070.73	768.24
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	351.68	318.90
b) Add: Amount transferred during the year	-	32.78
c) Less: Drawdown	-	-
d) Closing balance	351.68	351.68
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.45%	2.09%

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

(₹ in crores)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Balance as at the year end
<b>Year ended March 31, 2022</b>				
<b>Securities sold under repo</b>				
i) Government Securities	5.00	3,918.84	855.00	-
ii) Corporate Debt Securities	-	-	-	-
iii) Any Other Securities	-	-	-	-
<b>Securities purchased under reverse repo</b>				
i) Government Securities	22,799.41	50,797.00	35,447.99	44,500.00
ii) Corporate Debt Securities	-	-	-	-
iii) Any Other Securities	-	-	-	-
<b>Year ended March 31, 2021</b>				
<b>Securities sold under repo</b>				
i) Government Securities	10.00	10,050.32	910.88	-
ii) Corporate Debt Securities	3,670.00	3,670.00	794.33	-
iii) Any Other Securities	-	-	-	-
<b>Securities purchased under reverse repo</b>				
i) Government Securities	364.32	39,557.57	18,294.82	28,722.61
ii) Corporate Debt Securities	-	-	-	-
iii) Any Other Securities	-	-	-	-

In respect of triparty repo and triparty reverse repo transactions, amount of funds borrowed or lent have been disclosed in the table above. The days on which there was Nil outstanding have been ignored while arriving at the amount of minimum outstanding during the year.

**2.4 Issuer composition of Non-SLR investments as at March 31, 2022**

(₹ in crores)

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)
1	Public Sector Undertakings	-	-	-	-	-
2	Financial Institutions	304.77	304.77	-	-	-
3	Banks	281.35	281.35	-	-	-
4	Private corporates	1,356.38	1,355.68	-	65.17	-
5	Subsidiaries / Joint Ventures	43.70	43.70	-	-	-
6	Others	3,368.12	3,368.12	-	895.51	-
7	Provision held towards depreciation	(1,067.52)				
<b>Total</b>		<b>4,286.80</b>	<b>5,353.62</b>	-	<b>960.68</b>	-

**Issuer composition of Non-SLR investments as at March 31, 2021**

(₹ in crores)

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)
1	Public Sector Undertakings	100.56	100.56	-	-	-
2	Financial Institutions	755.54	755.54	-	-	-
3	Banks	1,151.17	1,151.17	-	-	-
4	Private corporates	1,332.03	1,331.32	-	65.17	-
5	Subsidiaries / Joint Ventures	43.70	43.70	-	-	-
6	Others	2183.61	2183.61	-	64.64	-
7	Provision held towards depreciation	(768.24)				
<b>Total</b>		<b>4,798.37</b>	<b>5,565.90</b>	-	<b>129.81</b>	-

**Notes:**

- (1) Amounts reported under columns 4, 5, 6 and 7 are not mutually exclusive.
- (2) Column 7 excludes investment in equity shares (including investment in subsidiary and associate entity), investment in venture capital funds, and securities acquired by way of conversion of debt.

**2.5 Non-performing Non-SLR investments**

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Opening balance	142.86	711.01
Additions during the year	-	70.34
Reductions / Redemption during the year	17.90	638.49
Closing balance	124.96	142.86
<b>Total provisions held</b>	<b>107.92</b>	<b>127.79</b>

**2.6 Sale / transfer from HTM category**

During the year ended March 31, 2022, and the year ended March 31, 2021, the value of sale and transfer of securities to/from HTM category, excluding one-time transfer of securities from HTM and sale to RBI on account of Open Market Operation (OMO)/Conversion/ switch auctions, has not exceeded 5% of the book value of investments held in HTM category at the beginning of the year. Hence, in accordance with RBI guidelines, specific disclosures on book value, market value, and provisions if any, relating to such sale and transfers are not applicable.

**3. Derivatives****3.1 Interest Rate Swaps, Forward Rate Agreements and Cross Currency Swaps:**

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
(i) Notional principal of swap agreements	3,94,215.01	3,62,184.45
(ii) Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	3,234.59	3,789.04
(iii) Collateral required by the Bank upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps – With banks	57.72%	63.65%
(v) The Fair value of the swap book	574.18	922.73

The credit exposure with clients, as compared to inter-bank counterparties, are generally secured by permitted collaterals. The credit exposure includes exposure arising out of swap contracts. However, generally, the collaterals provided by the clients are not specifically earmarked towards derivatives or swaps, and hence the amount of collateral required by the Bank upon entering into swaps is reported Nil. The derivative exposures including swaps, among inter-bank counterparties, are generally without any collateral or security.

The nature and terms of Interest Rate Swaps outstanding as on March 31, 2022, are set out below:

(₹ in crores)

Nature	No.	Notional Principal	Benchmark	Terms
Hedging	9	3,995.47	LIBOR	Fixed Payable vs Float Receivable
Trading	2	31.88	EURIBOR	Fixed Payable vs Float Receivable
Trading	26	46.58	EURIBOR	Fixed Receivable vs Float Payable
Trading	231	40,973.54	LIBOR	Fixed Payable vs Float Receivable
Trading	207	36,827.40	LIBOR	Fixed Receivable vs Float Payable
Trading	30	7,836.94	LIBOR	Float Payable vs Float Receivable

<b>Nature</b>	<b>No.</b>	<b>Notional Principal</b>	<b>Benchmark</b>	<b>Terms</b>
Trading	2063	1,10,389.77	MIBOR	Fixed Payable vs Float Receivable
Trading	1809	1,07,529.89	MIBOR	Fixed Receivable vs Float Payable
Trading	260	19,984.61	MIFOR	Fixed Payable vs Float Receivable
Trading	400	30,626.99	MIFOR	Fixed Receivable vs Float Payable
Trading	9	1,308.87	SOFR	Fixed Payable vs Float Receivable
Trading	23	4,432.62	SOFR	Fixed Receivable vs Float Payable
Trading	2	568.44	SOFR	Float Payable vs Float Receivable
<b>Total</b>	<b>5,071</b>	<b>3,64,552.99</b>		

The nature and terms of Interest Rate Swaps outstanding as on March 31, 2021, are set out below:

(₹ in crores)

<b>Nature</b>	<b>No.</b>	<b>Notional Principal</b>	<b>Benchmark</b>	<b>Terms</b>
Trading	2	43.27	EURIBOR	Fixed Payable vs Floating Receivable
Trading	32	66.47	EURIBOR	Fixed Receivable vs Floating Payable
Trading	264	51,055.48	LIBOR	Fixed Payable vs Floating Receivable
Trading	256	41,515.09	LIBOR	Fixed Receivable vs Floating Payable
Trading	43	10,286.58	LIBOR	Floating Payable vs Floating Receivable
Trading	1,193	56,384.42	MIBOR	Fixed Payable vs Floating Receivable
Trading	1,347	51,634.53	MIBOR	Fixed Receivable vs Floating Payable
Trading	648	47,984.21	MIFOR	Fixed Payable vs Floating Receivable
Trading	890	62,335.29	MIFOR	Fixed Receivable vs Floating Payable
Hedging	5	2,673.09	LIBOR	Fixed Payable vs Floating Receivable
<b>Total</b>	<b>4,680</b>	<b>3,23,978.43</b>		

The nature and terms of Cross Currency Swaps outstanding as on March 31, 2022, are set out below:

(₹ in crores)

<b>Nature</b>	<b>No.</b>	<b>Notional Principal</b>	<b>Benchmark</b>	<b>Terms</b>
Hedging	1	41.71	LIBOR	Float Payable vs Float Receivable (Coupon only swap)
Hedging	1	100.59	NA	Fixed Payable vs Fix Receivable (Principal Only Swap)
Trading	2	41.57	EURIBOR	Fixed Payable vs Float Receivable (Cross Currency Swap)
Trading	2	86.08	EURIBOR	Float Payable vs Fix Receivable (Cross Currency Swap)
Trading	1	29.77	EURIBOR	Float Payable vs Float Receivable (Cross Currency Swap)
Trading	48	9,512.36	LIBOR	Fixed Payable vs Float Receivable (Cross Currency Swap)

<b>Nature</b>	<b>No.</b>	<b>Notional Principal</b>	<b>Benchmark</b>	<b>Terms</b>
Trading	3	107.87	LIBOR	Float Payable vs Fixed Receivable (Coupon only Swap)
Trading	126	6,805.20	LIBOR	Float Payable vs Fixed Receivable (Cross Currency Swap)
Trading	15	1,602.06	LIBOR	Float Payable vs Float Receivable (Cross Currency Swap)
Trading	5	85.23	MIBOR	Float Payable vs Fixed Receivable (Cross Currency Swap)
Trading	19	4,504.93	MIBOR	Float Payable vs Float Receivable (Cross Currency Swap)
Trading	1	7.96	NA	Fixed Payable vs Fixed Receivable (Coupon only Swap)
Trading	100	3,674.48	NA	Fixed Payable vs Fixed Receivable (Cross Currency Swap)
Trading	15	1,402.03	NA	Fixed Payable vs Fixed Receivable (Principal Only Swap)
Trading	3	853.79	SOFR	Fixed Payable vs Float Receivable (Cross Currency Swap)
Trading	1	5.25	SOFR	Float Payable vs Fixed Receivable (Cross Currency Swap)
Trading	1	62.16	SOFR	Float Payable vs Float Receivable (Cross Currency Swap)
<b>Total</b>	<b>344</b>	<b>28,923.04</b>		

The nature and terms of Cross Currency Swaps outstanding as on March 31, 2021, are set out below:

(₹ in crores)

<b>Nature</b>	<b>No.</b>	<b>Notional Principal</b>	<b>Benchmark</b>	<b>Terms</b>
Trading	7	10.58	EURIBOR	Fixed Payable vs Floating Receivable (Cross Currency Swap)
Trading	2	86.08	EURIBOR	Floating Payable vs Fixed Receivable (Cross Currency Swap)
Trading	1	30.39	EURIBOR	Floating Payable vs Floating Receivable (Cross Currency Swap)
Hedging	2	193.78	EURIBOR	Floating Payable vs Floating Receivable (Cross Currency Swap)
Trading	53	9,300.48	LIBOR	Fixed Payable vs Floating Receivable (Cross Currency Swap)
Trading	6	1,910.08	LIBOR	Floating Payable vs Fixed Receivable (Coupon Only Swap)
Trading	184	8,775.09	LIBOR	Floating Payable vs Fixed Receivable (Cross Currency Swap)
Hedging	1	61.26	LIBOR	Floating Payable vs Floating Receivable (Cross Currency Swap)
Trading	16	1,590.88	LIBOR	Floating Payable vs Floating Receivable (Cross Currency Swap)

<b>Nature</b>	<b>No.</b>	<b>Notional Principal</b>	<b>Benchmark</b>	<b>Terms</b>
Trading	6	121.47	MIBOR	Floating Payable vs Fixed Receivable (Cross Currency Swap)
Trading	25	6,660.22	MIBOR	Floating Payable vs Floating Receivable (Cross Currency Swap)
Trading	1	438.66	MIFOR	Floating Payable vs Floating Receivable (Cross Currency Swap)
Trading	1	16.89	NA	Fixed Payable vs Fixed Receivable (Coupon only Swap)
Trading	88	3,814.42	NA	Fixed Payable vs Fixed Receivable (Cross Currency Swap)
Trading	22	3,069.13	NA	Fixed Payable vs Fixed Receivable (Principal Only Swap)
Hedging	2	643.13	NA	Fixed Payable vs Fixed Receivable (Principal Only Swap)
Merchant & Cover	2	551.33	NA	Fixed Payable vs Fixed Receivable (Cross Currency Swap)
<b>Total</b>	<b>419</b>	<b>37,273.87</b>		

The nature and terms of CapFloor outstanding as on March 31, 2022 are set out below:

(₹ in crores)

<b>Nature</b>	<b>No.</b>	<b>Notional Principal</b>	<b>Benchmark</b>	<b>Terms</b>
Hedging	1	738.98	LIBOR	Fix Payable vs Float Receivable (Collar)
<b>Total</b>	<b>1</b>	<b>738.98</b>		

The nature and terms of CapFloor outstanding as on March 31, 2021 are set out below:

(₹ in crores)

<b>Nature</b>	<b>No.</b>	<b>Notional Principal</b>	<b>Benchmark</b>	<b>Terms</b>
Hedging	1	932.15	LIBOR	Fix Payable vs Float Receivable (Collar)
<b>Total</b>	<b>1</b>	<b>932.15</b>		

Forward Rate Agreement (FRA) outstanding as on March 31, 2022, and March 31, 2021, was ₹ Nil.

### **3.2 Exchange Traded Interest Rate Derivatives**

The Exchange Traded Interest Rate Derivatives undertaken during the year ended March 31, 2022, and March 31, 2021, was ₹ Nil.

### **3.3 Risk Exposure in Derivatives**

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

The Bank undertakes derivative transactions for hedging customers' exposure, hedging the Bank's own exposure, as well as for trading purposes, wherever permitted by RBI. The customers use these derivative products to hedge their forex and interest rate exposures, in accordance with extant regulatory guidelines. The Bank has a policy on assessing the collateral required for undertaking derivative transactions with clients as well as counterparty banks. The credit appraisal process determines the collateral requirements. The Bank retains the right to terminate transactions as a risk mitigation measure in certain circumstances.

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

- Monitoring transactions and limits on derivatives portfolio against prescribed policies and limits on a daily basis;
- Daily review of product-wise profitability and activity reports for derivatives operations;
- Daily submission of MIS and details of exceptions to the Top Management; and
- Review of collaterals that are generally kept as cash or cash equivalent for securing derivative transactions.

The Risk Management function applies many quantitative tools and methods such as Value at Risk, PV01, stop-loss limits, counterparty limits, deal size limits and overnight position limits.

Refer Note 17.5 for the accounting policy on derivatives.

The following table presents quantitative disclosures relating to Derivatives:

		(₹ in crores)			
Sr. No	Particulars	March 31, 2022		March 31, 2021	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
1	Derivatives (Notional Principal Amount) (Note 1 and 7)	4,73,031.36	3,65,791.97	4,38,918.71	3,24,910.59
	a) For hedging	142.30	4,734.45	898.17	3,605.24
	b) For trading	4,72,889.06	3,61,057.52	4,38,020.54	3,21,305.35
2	Marked to Market Positions (Note 2)				
	a) Asset (+)	3,933.76	2,535.73	5,572.82	3,740.99
	b) Liability (-)	(3,315.36)	(2,391.38)	(3,418.43)	(3,487.34)
3	Credit Exposure (Note 3)	14,529.53	5,933.32	15,565.60	6,183.33
4	Likely impact of one percentage change in interest rate (100*PV01) (Note 4, 6 and 8)				
	a) on hedging derivatives	16.81	35.89	2.73	33.87
	b) on trading derivatives	132.24	150.91	93.26	74.86
5	Maximum and Minimum of (100*PV01) observed during the year (Note 5, 6 and 8)				
	a) on hedging				
	Maximum	16.81	74.89	3.81	42.41
	Minimum	2.40	35.89	0.10	0.00
	b) on trading				
	Maximum	138.20	150.91	93.26	161.60
	Minimum	97.21	102.44	20.66	2.65

Note 1: Outstanding notional principal amount of exchange traded currency future trades was ₹ 68.39 crores as at March 31, 2022 (Previous year ₹ 420.81 crores).

Note 2: Marked to Market positions include interest accrued on the swaps.

Note 3: Credit exposure is computed based on the current exposure method.

Note 4: Based on the absolute value of PV01 for Currency Derivatives and Interest Rate Derivatives outstanding as at the year end.

Note 5: Based on the absolute value of PV01 for Currency Derivatives and Interest Rate Derivatives outstanding during the year.

Note 6: PV01 for Currency Derivatives and Interest Rate Derivatives are presented in absolute terms. However, aggregate of net PV01 shall remain smaller as there are opposite positions among Currency Derivatives and Interest Rate Derivatives that will get netted off.

Note 7: Currency derivatives include forward exchange contracts, currency swaps, currency options and cross currency swaps; interest rate derivatives include interest rate swaps, forward rate agreements and interest rate caps and floors.

Note 8: PV01 is computed for cross currency swaps, interest rate swaps, and interest rate cap and floor.

### 3.4 Credit Default Swaps

The Bank has not undertaken any transactions in Credit Default Swaps during the year ended March 31, 2022 (Previous year Nil).

## 4. Asset Quality

### 4.1 Classification of advances and provisions held

Classification of advances and provisions held as on March 31, 2022, are given below:

Particulars	Standard		Non-Performing		Total Non-Performing	Total
	Total Standard	Sub-standard	Doubtful	Loss		
(₹ in crores)						
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	2,11,118.84	3,417.33	2,146.97	230.69	5,794.99	2,16,913.83
Add: Additions during the year					10,102.87	
Less: Reductions during the year*					10,380.71	
Closing balance	2,37,521.71	2,173.95	1,964.04	1,379.16	5,517.15	2,43,038.86
*Reductions in Gross NPAs due to:						
i) Upgradation					2,592.15	
ii) Recoveries (excluding recoveries from upgraded accounts)					3,403.45	
iii) Technical/ Prudential Write-offs					929.68	
iv) Write-offs other than those under (iii) above					3,455.43	
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	2,198.51	1,475.92	1,781.81	230.69	3,488.42	5,686.93
Add: Fresh provisions made during the year					6,597.54	
Less: Excess provision reversed/ Write-off loans					6,168.64	
Closing balance of provisions held	1,805.78	1,121.40	1,416.76	1,379.16	3,917.32	5,723.10
<b>Net NPAs*</b>						
Opening Balance		1,111.41	365.16	-	1,476.57	
Add: Fresh additions during the year					3,505.33	
Less: Reductions during the year					3,452.07	
Closing Balance		982.55	547.28	-	1,529.83	
* Floating provisions have been netted off against substandard advances to compute net NPAs						

(₹ in crores)

Particulars	Standard		Non-Performing			Total
	Total Standard	Sub-standard	Doubtful	Loss	Total Non-Performing	
<b>Floating Provisions</b>						
Opening Balance						830.00
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						760.00
Closing balance of floating provisions						70.00
<b>Technical write-offs and the recoveries made thereon</b>						
Opening balance of Technical/ Prudential written-off accounts						44.07
Add: Technical/ Prudential write-offs during the year						929.68
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						0.69
Closing balance						973.06

Classification of advances and provisions held as on March 31, 2021, are given below:

(₹ in crores)

Particulars	Standard		Non-Performing			Total
	Total Standard	Sub-standard	Doubtful	Loss	Total Non-Performing	
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	2,04,896.59	2,813.61	2,192.16	140.97	5,146.74	2,10,043.33
Add: Additions during the year					7,664.07	
Less: Reductions during the year*					7,015.82	
Closing balance	2,11,118.84	3,417.33	2,146.97	230.69	5,794.99	2,16,913.83
*Reductions in Gross NPAs due to:						
i) Upgradation					1,402.89	
ii) Recoveries (excluding recoveries from upgraded accounts)					1,557.64	
iii) Technical/ Prudential Write-offs					-	
iv) Write-offs other than those under (iii) above					4,055.29	
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	966.55	848.06	1,941.13	140.97	2,930.16	3,896.71
Add: Fresh provisions made during the year					5,186.45	
Less: Excess provision reversed/ Write-off loans					4,628.19	
Closing balance of provisions held	2,198.51	1,475.92	1,781.81	230.69	3,488.42	5,686.93
<b>Net NPAs*</b>						
Opening Balance		1,635.55	251.03	-	1,886.58	
Add: Fresh additions during the year					1,977.62	
Less: Reductions during the year					2,387.63	
Closing Balance		1,111.41	365.16	-	1,476.57	
* Floating provisions have been netted off against substandard advances to compute net NPAs						
<b>Floating Provisions</b>						
Opening Balance						330.00
Add: Additional provisions made during the year						500.00

(₹ in crores)

Particulars	Standard		Non-Performing			Total
	Total Standard	Sub-standard	Doubtful	Loss	Total Non-Performing	
Less: Amount drawn down during the year						-
Closing balance of floating provisions						830.00
<b>Technical write-offs and the recoveries made thereon</b>						
Opening balance of Technical/ Prudential written-off accounts						44.61
Add: Technical/ Prudential write-offs during the year						-
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						0.54
Closing balance						44.07
<b>Ratios (in per cent)</b>			<b>March 31, 2022</b>	<b>March 31, 2021</b>		
Gross NPA to Gross Advances			2.27%	2.67%		
Net NPA to Net Advances			0.64%	0.69%		
Provision coverage ratio (Provision / Gross NPA)			72.27%	74.52%		

**Notes:**

Standard advances provision includes provision created under various RBI guidelines like stress sector provision, provision for unhedged foreign currency exposure, provision under non permissible lending limit (NPLL), provision for delay in implementation of resolution plan and restructuring related provision.

In line with RBI guideline on "Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer" dated May 5, 2021, Bank has utilized floating provision of ₹ 760 crores towards provision for Non-performing advances.

The information for the year ended March 31, 2021 were compiled by management and relied upon by auditors.

**4.2 Sector-wise advances and Gross NPAs**

(₹ in crores)

Sr. No.	Sector	March 31, 2022			March 31, 2021		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
<b>A</b>	<b>Priority Sector</b>						
<b>1</b>	<b>Agriculture and allied activities</b>	<b>37,497.19</b>	<b>854.10</b>	<b>2.28%</b>	<b>26,353.63</b>	<b>514.58</b>	<b>1.95%</b>
<b>2</b>	<b>Advances to industries sector eligible as priority sector lending Of which (refer note below:</b>	<b>14,412.05</b>	<b>160.15</b>	<b>1.11%</b>	<b>9,394.42</b>	<b>191.87</b>	<b>2.04%</b>
a)	Chemicals & Chemical Products	649.05	2.10	0.32%	*	*	*
b)	Basic Metal & Metal Product	1,482.04	1.44	0.10%	1,090.24	17.87	1.64%
c)	Gems & Jewellery	2,534.07	4.25	0.17%	*	*	*
d)	Infrastructure	121.94	0.07	0.06%	57.1	0.02	0.04%
<b>3</b>	<b>Services</b>	<b>38,036.78</b>	<b>604.00</b>	<b>1.59%</b>	<b>44,503.18</b>	<b>1,003.61</b>	<b>2.26%</b>
a)	Of which: Transport Operator's	23,136.72	385.24	1.67%	25,359.28	647.82	2.55%

(₹ in crores)

Sr. No.	Sector	March 31, 2022			March 31, 2021		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
b)	Commercial Real Estate	1,584.21	-	-	7.01	-	-
<b>4</b>	<b>Personal loans</b>	<b>1609.92</b>	<b>135.11</b>	<b>8.39%</b>	<b>1,159.92</b>	<b>42.73</b>	<b>3.68%</b>
	Of which (refer note below):						
a)	Housing loan	1,144.19	55.04	4.81%	*	*	*
	<b>Sub-total (A)</b>	<b>91,555.94</b>	<b>1753.36</b>	<b>1.92%</b>	<b>81,411.15</b>	<b>1,752.79</b>	<b>2.15%</b>
<b>B</b>	<b>Non-Priority Sector</b>						
<b>1</b>	<b>Agriculture and allied activities</b>	-	-	-	-	-	-
<b>2</b>	<b>Industry Of which (refer note below):</b>	<b>37614.22</b>	<b>585.93</b>	<b>1.56%</b>	<b>32,660.53</b>	<b>572.60</b>	<b>1.75%</b>
a)	Chemicals & Chemical Products	5,238.40	0.81	0.02%	*	*	*
b)	Basic Metal & Metal Product	4,257.08	-	-	5,595.90	0.20	0.00%
c)	Gems & Jewellery	5,687.43	26.58	0.47%	*	*	*
d)	Infrastructure	6,636.87	193.33	2.91%	6,974.59	241.39	3.46%
<b>3</b>	<b>Services</b>	<b>97,128.48</b>	<b>2,271.17</b>	<b>2.34%</b>	<b>85,747.77</b>	<b>2,508.27</b>	<b>2.93%</b>
	Of which:						
a)	Transport Operator's	26,893.71	181.75	0.68%	23,402.27	254.27	1.09%
b)	Commercial Real Estate	12,235.62	329.75	2.70%	14,930.75	217.52	1.46%
<b>4</b>	<b>Personal loans</b>	<b>16,740.22</b>	<b>906.69</b>	<b>5.42%</b>	<b>17,094.38</b>	<b>961.33</b>	<b>5.62%</b>
	Of which (refer note below):						
a)	Vehicle Loans	4,731.04	490.94	10.38%	5,912.60	543.34	9.19%
b)	Credit Card	5,836.38	187.88	3.14%	4,474.78	72.88	1.63%
c)	Housing loan	860.49	55.04	6.40%	*	*	*
d)	Unsecured Personal Loans	3,267.04	45.17	1.38%	3,505.45	181.79	5.19%
e)	Advance against Fixed Deposit	*	*	*	2,178.27	1.16	0.05%
	<b>Sub-total (B)</b>	<b>1,51,482.92</b>	<b>3,763.79</b>	<b>2.48%</b>	<b>1,35,502.68</b>	<b>4,042.20</b>	<b>2.98%</b>
	<b>Total (A+B)</b>	<b>2,43,038.86</b>	<b>5,517.15</b>	<b>2.27%</b>	<b>2,16,913.83</b>	<b>5,794.99</b>	<b>2.67%</b>

**Note:**

\*Segments contributing in excess of 10% of the Sector as at March 31 of the respective years are individually listed; Advances against Fixed Deposit constituted less than 10% on March 31, 2022, Chemicals & Chemical Products, Gems and Jewellery and Housing loans constituted less than 10% as on March 31, 2021.

**4.3 Overseas Asset, NPAs and Revenue**

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Total Assets	7,239.01	6,580.34
Total NPAs	0.19	237.80
Total Revenue	297.09	255.60

Assets for this purpose means client advances.

#### 4.4 Particulars of resolution plan and restructuring

During the year ended March 31, 2022, the Bank has not implemented Resolution Plan for any of the borrowers in accordance with the RBI Circular dated June 7, 2019, on Prudential Revised Framework for Resolution of Stressed Assets ("Framework").

During the year ended March 31, 2021, the Bank implemented a Resolution Plan in respect of two borrowers having exposure (Advances & Investment) of ₹ 21.08 crores as on March 31, 2021, in accordance with the Framework.

#### 4.5 Divergence in Asset Classification and Provisioning for NPA

RBI vide circular no. DBR.BP.BC.No.32/21.04.018/2018-19 dated April 01, 2019, has directed that banks shall make suitable disclosures, wherever (a) the additional provisioning requirement assessed by RBI exceeds 10 percent of the reported profit before provisions and contingencies for the reference period, or (b) the additional Gross NPA identified by RBI exceeds 15 percent of the published incremental Gross NPA for the reference period, or both. Based on the criteria mentioned in the RBI circulars, no disclosure on divergence in asset classification and provisioning for NPA is required with respect to RBI Supervisory Programme for Assessment of Risk and Capital completed during the year pertaining to the year ended March 31, 2021, and during the previous year pertaining to the year ended March 31, 2020.

#### 4.6 Details of loan transferred/acquired during the year ended March 31, 2022, under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021, are given below:

- (i) Details of loans not in default acquired during the period October 1, 2021 to , March 31, 2022 are given below:

Mode of Acquisition	Loan Participation
Aggregate amount of loans acquired (₹ in crores)	24.80
Weighted average residual maturity (in years)	3.28
Weighted average holding period by originator (in years)	1.73
Retention of beneficial economic interest by the originator	Nil
Tangible security coverage	100%
Rating wise distribution of loans acquired by value *	
IB3+	100%

\* Represents Internal Rating as external rating of loans acquired are not available.

- (ii) Details of loans not in default transferred during the period October 1, 2021 to , March 31, 2022, are given below:

Mode of Transfer	Assignment
Aggregate amount of loans transfer (₹ in crores)	1,222.31
Weighted average residual maturity (in years)	10.08
Weighted average holding period by originator (in years)	1.92
Retention of beneficial economic interest by the originator	NIL
Tangible security coverage*	100%
Rating wise distribution # of loans Transferred by value:	
A+	27%
A-	51%
B+	9%
Unrated	12%

\* Of the total loan transferred, one loan of ₹ 113.87 crores, was unsecured and the same has not been considered above.

## (iii) Details of Non-Performing Assets (NPAs) / Write off transferred

Particulars	FY 2021-22			FY 2020-21		
	To Asset Reconstruction Companies (ARCs)	To Permitted transferees	To other transferees	To Asset Reconstruction Companies (ARCs)	To Permitted transferees	To other transferees
Number of borrowers	4,14,390	-	-	2,63,360	-	-
Aggregate principal outstanding of loans transferred (₹ in crores)	4,270.73	-	-	2,090.21	-	-
Weighted average residual tenor of the loans transferred (in years)	2.14	-	-	2.65	-	-
Net book value of loans transferred (at the time of transfer) (₹ in crores)	2,542.58	-	-	982.05	-	-
Aggregate consideration (₹ in crores)	2,455.10	-	-	951	-	-
Additional consideration realised in respect of accounts transferred in earlier years (₹ in crores)	21.21	-	-	1.43	-	-

- (iv) Bank has not acquired any Non-Performing Assets (NPAs) / Written off accounts during the period October 1, 2021 to March 31, 2022.
- (v) Bank has not transferred any Special Mentioned Accounts (SMA) during the period October 1, 2021 to March 31, 2022.
- (vi) Bank has not acquired any Special Mentioned Accounts (SMA) during the period October 1, 2021 to March 31, 2022.
- (vii) Details on recovery ratings assigned for Security Receipts:

Recovery Rating	Anticipated recovery as per recovery rating	(₹ in crores)	
		March 31, 2022	March 31, 2021
RR1*	100%-150%	2,376.47	1,432.84
RR2	75%-100%	315.95	215.77
RR3	50%-75%	5.78	7.85
RR4	25%-50%	135.02	9.87
RR5	0%-25%	44.62	66.34
Unrated	0%	33.03	0.01
<b>Total</b>		<b>2,910.87</b>	<b>1,732.68</b>

\* Includes ₹ 862.48 crores (previous year ₹ 705.50 crores) of Security Receipts (SR) on which, pursuant to regulatory norms, the ARC shall obtain initial rating of Security Receipts (SR) from an approved credit rating agency within a period of 6 months from the date of acquisition.

Bank is holding a total SR provision of ₹ 921.78 crores (previous year ₹ 613.14 crores). All the SR under "unrated" recovery rating have been fully provided.

**4.7 Provision pertaining to fraud accounts**

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Number of frauds reported	1,730	583
Amount involved in frauds	227.78	3,307.77
- Out of which amount written off	77.68	3,178.16
Provisions made during the year (excluding write off)	116.08	66.26
Amount of unamortised provision debited from "other reserves" as at the end of the year	-	-

The number of frauds reported to RBI for the year 2021-22 includes 908 frauds (Previous year 411 cases) amounting to ₹ 14.23 crores (Previous year ₹ 3.11 crores), committed by the employees of Bharat Financial Inclusion Limited, the wholly owned Business Correspondent subsidiary of the Bank, pertaining to the clients of the Bank. The provisions made during the year represent the amount charged to the Profit and Loss statement of the Bank and does not include any charge or provision recognized by the said Bharat Financial Inclusion Limited in their stand-alone financial statements.

**4.8 Disclosure under Resolution Framework for COVID-19-related Stress:**

(₹ in crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2021 (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 – Position as at the end of March 31, 2022
(i) Personal Loans	759.24	223.27	38.80	52.45	483.52
(ii) Corporate persons	2,543.49	183.96	-	435.22	1,924.31
a) Of which MSMEs	-	-	-	-	-
(iii) Others	2,352.72	148.09	41.46	45.34	2,159.29
<b>Total</b>	<b>5,655.45</b>	<b>555.32</b>	<b>80.26</b>	<b>533.01</b>	<b>4,567.12</b>

# Includes cases where requests received till September 30, 2021, and implemented subsequently.

\* Includes cases which have been written off during the period.

\$ Amount paid by the borrower during the half year is net of addition in the borrower account including additions due to interest capitalization.

Exposure in above table represents Fund and Non-Fund Based exposure.

- 4.9** RBI vide a circular dated January 1, 2019, permitted a one-time restructuring of existing loans to Micro Small and Medium Enterprises (MSMEs) without a downgrade in the asset classification, and this facility was extended vide circular dated February 11, 2020, circular dated August 6, 2020, and circular dated May 5, 2021, subject to certain conditions. Details of such loans to MSMEs that are restructured under the extant guidelines and classified as standard are as below:

(₹ in crores except number of accounts)

Year ended	No. of accounts restructured	Amount Outstanding- Restructured facility	Amount Outstanding - Other facilities of the customer
March 31, 2022	48,963	2,855.76	330.54
March 31, 2021	35,126	2,738.05	276.79

- 4.10** During the year ended March 31, 2022, there has been no individual purchase / sale of non-performing financial assets from/ to other banks (Previous year Nil).
- 4.11** The COVID-19 pandemic had led to an unprecedented level of disruption on socio-economic front which led to a nation-wide lockdown across the country in April 2020 and May 2020. The 'second wave' peaked in April 2021-May 2021 and subsided in June-July 2021. The 'third wave' of Covid-19 broke out at December end, which has impacted Banks operations mildly and level of uncertainty is currently reducing.

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

## 5. Asset Liability Management

### 5.1 Maturity Pattern of certain items of Assets and Liabilities

Assets and liabilities are classified in the maturity buckets based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI.

As at March 31, 2022:

(₹ in crores)

Particulars	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	Over 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	1,384.32	12,396.98	13,365.51	7,091.17	18,309.67	10,532.78	26,596.59	39,789.81	65,914.75	22,561.69	75,738.07
Loans and Advances	676.19	7,197.14	3,919.90	7,255.99	10,532.66	16,586.60	23,934.61	34,562.58	84,764.07	25,596.76	24,025.04	2,39,051.54
Investments	19,134.59	2,544.17	2,501.62	1,594.09	1,959.39	2,113.08	4,881.48	7,817.11	11,528.33	4,666.76	12,230.16	70,970.78
Borrowings	21.05	-	1,627.88	4,041.70	472.03	3,510.41	2,284.08	4,629.04	17,580.01	10,251.73	2,905.28	47,323.21
Foreign currency assets	6,401.14	3,383.03	1,593.06	1,605.98	2,387.95	4,450.13	2,633.05	578.67	2,486.21	888.71	607.60	27,015.53
Foreign currency liabilities	418.40	253.73	1,668.73	3,312.78	1,751.11	1,377.74	2,110.79	3,425.17	10,333.88	6,763.34	721.08	32,136.75

As at March 31, 2021:

(₹ in crores)

Particulars	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	Over 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	1,178.77	9,542.04	11,488.71	7,275.21	12,765.06	10,659.89	28,228.43	40,500.67	52,600.88	22,389.04	59,576.26
Loans and Advances	1,740.69	4,209.78	3,547.25	4,014.75	8,978.14	10,473.85	17,682.12	31,568.67	79,160.80	23,900.78	27,318.58	2,12,595.41
Investments	24,204.94	2,082.37	1,432.95	3,316.50	1,979.73	1,890.87	5,051.24	8,404.68	7,988.50	2,877.98	10,464.95	69,694.71
Borrowings	0.51	80.95	3,081.63	2,528.51	2,253.96	2,296.21	4,621.97	7,808.11	20,301.23	6,776.61	1,573.12	51,322.81
Foreign currency assets	4,354.69	3,733.09	342.76	900.94	2,214.06	2,851.81	1,233.73	987.88	298.72	1,772.15	2,956.64	21,646.47
Foreign currency liabilities	294.06	98.24	65.42	237.38	460.82	203.68	7,229.98	9,645.13	10,125.58	4,186.49	407.07	32,953.85

1. Pursuant to the RBI circular dated March 27, 2020, on the COVID 19 – Regulatory Package, the Bank offered a moratorium of loan installments and interest payable to eligible borrowers. Accordingly, while drawing the maturity pattern, contractual inflows pertaining to Loans and Advances have been adjusted to the extent considered necessary.

*(Compiled by management and relied upon by auditors.)*

## **5.2 Liquidity Coverage Ratio (LCR)**

The Bank has adopted the Basel III framework on liquidity standards, prescribed by the Reserve Bank of India (RBI) and has put in place requisite systems and processes to enable periodic automated computation and reporting of the Liquidity Coverage Ratio (LCR). The LCR is aimed at measuring and promoting the short-term resilience of the liquidity risk profile of banks by ensuring maintenance of sufficient High Quality Liquid Assets (HQLA) that can be easily and immediately converted into cash to meet the liquidity needs for a 30-calendar day liquidity stress scenario.

The LCR Ratio is calculated by dividing the Bank's stock of HQLA by its total net cash flows over a 30-calendar day stress period, measured on a daily basis, for the following 30 days. The prime driver of LCR is determined by its HQLA and the proportion of retail and wholesale funding sources. The HQLA comprises of two parts, i.e., Level 1 HQLA constituents which are primarily cash, excess CRR, SLR securities in excess of the minimum SLR requirement and a portion of mandatory SLR as permitted by the RBI (under MSF and FALLCR) and Level 2 HQLA constituents which are investments in highly rated non-financial corporate bonds and listed equity investments considered with the prescribed regulatory haircuts. The average HQLA for the quarter ended March 31, 2022, was ₹ 98,823 crores, as against ₹ 93,422 crores for the quarter ended March 31, 2021. The Cash outflows are determined by multiplying the outstanding balances of the various types / categories of liabilities by the outflow run-off factor and the cash inflows are calculated by multiplying the outstanding balances of the various categories of contractual receivables by inflow run-offs at which they are expected to flow in. Expected derivative cash outflows and inflows are calculated for outstanding contracts in accordance with laid down valuation methodologies and regulatory guidelines. All significant outflows and inflows in all currencies are determined in accordance with the RBI guidelines and are included in the LCR computation as per the prescribed template. Other contractual funding and borrowings which are expected to run down in a 30-days timeframe, are included in the cash outflows. There are no intragroup exposures for the Bank.

The Bank has maintained LCR well above the minimum regulatory requirements during the FY 2021-22. The average LCR maintained by the Bank for the quarter ended March 31, 2022, was at 126.33% against 145.11% for the quarter ended March 31, 2021.

The Asset Liability Committee (ALCO) of the Bank is a decision-making unit responsible for implementing the liquidity and interest rate risk management strategies of the Bank in line with its risk management objectives and ensures adherence to the risk tolerance / limits set by the Board. Liquidity Risk Management of the Bank is centralised and is undertaken by the Asset Liability Management Function in the Global Markets Group in accordance with the Board approved policies.

The Bank's funding sources are diversified across various sources and tenors. The Bank monitors the concentration of funding from various counterparties and segments. The Bank adheres to the regulatory and internal limits on inter-bank liabilities and call money borrowings. Apart from LCR, the Risk Management Department measures and monitors the liquidity profile of the Bank with reference to the Board approved policy and regulatory limits and undertakes liquidity stress testing periodically.

**Quantitative disclosure:**

The following table gives the quantitative disclosures relating to LCR for the year ended March 31, 2022:

Particulars	March 2022		December 2021		September 2021		June 2021	
	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)
<b>High Quality Liquid Assets</b>								
1 Total High Quality Liquid Assets (HQLA)		98,822.82		1,00,865.84		1,05,011.89		1,01,194.50
<b>Cash Outflows</b>								
2 Retail deposits and deposits from small business customers, of which:								
(i) Stable deposits	6,562.98	328.15	6,064.42	303.22	5,866.63	293.33	5,683.53	285.72
(ii) Less stable deposits	1,09,042.23	10,904.22	1,04,355.69	10,435.57	1,00,636.94	10,063.69	92,483.56	9,248.36
3 Unsecured wholesale funding, of which:								
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	1,29,903.76	71,834.46	1,26,542.27	68,749.60	1,14,687.85	61,314.14	1,09,745.47	61,094.40
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding								
5 Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements	20,232.20	20,232.20	18,849.92	18,849.92	4,993.21	4,993.21	4,039.11	4,039.11
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	6,075.36	6,075.36	4,582.12	4,582.12	3,950.31	3,950.31	4,757.08	4,757.08
7 Other contingent funding obligations	1,76,762.65	7,111.15	1,73,003.22	6,860.11	1,34,759.11	5,607.14	1,35,474.91	5,673.60
<b>8 Total Cash Outflows</b>		<b>1,16,485.54</b>		<b>1,09,780.54</b>		<b>86,221.82</b>		<b>85,098.27</b>
<b>Cash Inflows</b>								
9 Secured lending (e.g. reverse repos)	33,977.68	-	32,050.30	-	40,741.79	-	-	-
10 Inflows from fully performing exposures	45,036.37	38,261.64	42,401.15	36,228.00	20,305.27	15,066.62	20,701.14	15,971.54
11 Other cash inflows	-	-	-	-	48.48	24.24	-	-
<b>12 Total Cash Inflows</b>		<b>38,261.64</b>		<b>36,228.00</b>		<b>15,090.86</b>		<b>15,971.54</b>
<b>13 Total HQLA</b>		<b>98,822.82</b>		<b>1,00,865.84</b>		<b>1,05,011.89</b>		<b>1,01,194.50</b>
<b>14 Total Net Cash Outflows</b>		<b>78,223.90</b>		<b>73,552.54</b>		<b>71,130.96</b>		<b>69,126.73</b>
<b>15 Liquidity Coverage Ratio (%)</b>		<b>126.33%</b>		<b>137.13%</b>		<b>147.63%</b>		<b>146.39%</b>

(₹ in crores)

The following table gives the quantitative disclosures relating to LCR for the year ended March 31, 2021:

Particulars	March 2021			December 2020			September 2020			June 2020		
	Total		Total Weighted Value (average)	Total		Total Weighted Value (average)	Total		Total Weighted Value (average)	Total		Total Weighted Value (average)
	Unweighted Value (average)	Value (average)		Unweighted Value (average)	Value (average)		Unweighted Value (average)	Value (average)		Unweighted Value (average)	Value (average)	
<b>High Quality Liquid Assets</b>												
1		93,422.13	85,133.79		79,947.76		54,927.66					
<b>Cash Outflows</b>												
2												
(i)	13,176.22	658.81	539.29	8,768.86	438.44	8,567.28	428.36					
(ii)	74,576.71	7,457.47	6,812.78	61,339.98	6,134.00	54,119.22	5,411.92					
3												
(i)												
(ii)	1,05,274.45	59,813.50	51,343.82	90,313.26	52,521.04	75,888.40	42,421.96					
(iii)												
4												
5												
(i)	4,766.37	4,766.37	4,637.70	4,751.95	4,751.95	3,017.08	3,017.08					
(ii)												
(iii)												
6	4,263.62	4,263.62	3,166.07	3,381.10	3,381.10	6,262.67	6,262.67					
7	72,322.20	2,575.85	72,714.62	2,569.89	71,215.47	73,893.09	2,626.06					
<b>8</b>		<b>79,535.62</b>	<b>69,069.55</b>	<b>69,709.20</b>	<b>60,168.05</b>							
<b>Cash Inflows</b>												
9												
10	20,951.94	15,157.23	19,915.98	16,897.09	12,493.45	19,835.09	15,750.12					
11												
<b>12</b>		<b>15,157.23</b>	<b>14,403.73</b>	<b>12,493.45</b>	<b>12,493.45</b>	<b>15,750.12</b>	<b>15,750.12</b>					
<b>13</b>		<b>93,422.13</b>	<b>85,133.79</b>	<b>79,947.76</b>	<b>54,927.66</b>							
<b>14</b>		<b>64,378.39</b>	<b>54,665.82</b>	<b>57,215.75</b>	<b>44,417.93</b>							
<b>15</b>		<b>145.11%</b>	<b>155.73%</b>	<b>139.73%</b>	<b>123.66%</b>							

Note:

(1) The amounts in the above tables are average of daily positions during the respective quarters.

(2) The above information is extracted from the Management Information System of the Bank and relied on by the auditors.

## 6. Exposures

### 6.1 Exposure to Real Estate Sector:

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
<b>(a) Direct exposure</b>		
(i) Residential Mortgages Of which housing loans eligible for inclusion in priority sector advance ₹ 1276.78 crores (Previous year ₹ 1,341.44 crores)	8,880.25	8,431.03
(ii) Commercial Real Estate	27,644.70	27,441.75
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures:		
Residential	-	-
Commercial Real Estate	-	-
<b>(b) Indirect exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	4,759.56	4,542.49
<b>Total Exposure to Real Estate Sector</b>	<b>41,284.51</b>	<b>40,415.27</b>

Direct exposure to Commercial Real Estate includes ₹ 100 crores (Previous Year ₹ 100 crores) in a Venture Capital Fund. In terms of RBI Guidelines, the invested amount forms part of Exposure to Capital Market also.

### 6.2 Exposure to Capital Market:

(₹ in crores)

Particulars	March 31, 2022	March 31, 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*	873.90	855.17
(ii) Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	368.92	329.44
(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	2402.76	3,675.91
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	3006.15	1,613.16

Particulars	March 31, 2022	March 31, 2021
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	-	-
(vii) Bridge loans to companies against expected equity flows/issues	-	-
viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Venture Capital Funds (both registered and unregistered)	228.36	195.69
<b>Total Exposure to Capital Market</b>	<b>6,880.09</b>	<b>6,669.37</b>

\*Excludes investment in equity shares on account of conversion of debt into equity as part of restructuring amounting to ₹ 130.51 crores as on March 31, 2022 (previous year ₹ 130.85 crores) which are exempted from exposure to Capital Market.

### 6.3 Risk Category-wise exposure to country risk

(₹ in crores)

Risk category	March 31, 2022		March 31, 2021	
	Exposure (net)	Provision held	Exposure (net)	Provision held
Insignificant	15,318.95	-	12,393.70	9.25
Low	7,990.84	-	7,257.22	-
Moderately Low	12.19	-	110.47	-
Moderate	38.54	-	27.68	-
Moderately High	4.52	-	0.00	-
High	0.87	-	0.00	-
Very High	0.47	-	0.00	-
<b>Total</b>	<b>23,366.38</b>	<b>-</b>	<b>19,789.07</b>	<b>9.25</b>

Country Risk classification is in accordance with guidelines issued by Export Credit Guarantee Corporation of India Ltd. (ECGC)

### 6.4 Unsecured advances

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Total unsecured advances of the bank	76,336.61	49,700.11
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

**6.5 Advances against book debts**

Advances secured by tangible asset includes advances against book debts amounting to ₹ 41,110.36 crores (Previous year ₹ 37,741.19 crores).

The above information is based on the methodology adopted by the management and relied upon by the auditors.

**6.6 Details of factoring exposure**

The factoring exposure of the Bank as at March 31, 2022, is ₹ 2,603.48 crores (Previous year ₹ 1,228.27 crores).

**6.7 Details of Intra-Group Exposure: ₹ Nil (Previous year ₹ Nil)****6.8 Unhedged Foreign Currency Exposure (UFCE) of Clients**

Foreign exchange risk is the risk of loss arising out of adverse movements in foreign exchange rates affecting both on-balance sheet and off-balance sheet exposures. The foreign exchange positions that are not effectively hedged either by way of natural hedge or through forward contracts / derivatives expose a client to the risk of loss due to volatility in the foreign exchange rates. The Bank assesses the risk arising out of such UFCE of the clients at the time of credit appraisal and monitors the same at regular intervals. The provision for standard assets as of March 31, 2022, included an amount of ₹ 58.00 crores (Previous year ₹ 58.00 crores) towards UFCE. Further, capital held under Basel III Capital Regulations, as of March 31, 2022, includes an amount of ₹ 178.17 crores (Previous year ₹ 181.87 crores) on account of UFCE, computed at the applicable risk weights.

**6.9 Single Borrower limit and Group Borrower Limit**

During the year ended March 31, 2022, and year ended March 31, 2021, the Bank's credit exposures to single borrowers and group borrowers were within the prudential limits prescribed by RBI.

**7. Concentration of Deposits, Advances, Exposures and NPAs****7.1 Concentration of Deposits**

(₹ in crores)		
Particulars	March 31, 2022	March 31, 2021
Total Deposits of twenty largest depositors (excl. CDs)	49,866.98	55,683.38
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	16.98%	21.73%

**7.2 Concentration of Advances**

(₹ in crores)		
Particulars	March 31, 2022	March 31, 2021
Total Advances to twenty largest borrowers	49,402.74	44,587.87
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	10.64%	10.54%

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

**7.3 Concentration of Exposures**

(₹ in crores)		
Particulars	March 31, 2022	March 31, 2021
Total Exposure to twenty largest borrowers / customers	50,402.74	45,588.14
Percentage of Exposure of twenty largest borrowers / customers to Total Exposure of the Bank on borrowers / customers	10.75%	10.62%

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

## 7.4 Concentration of NPAs

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Total Exposure to the top twenty NPA accounts	1,983.60	2243.02
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs	35.95%	38.71%

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

8. During the year ended March 31, 2022, there was no sale of assets through securitization except sale of assets to ARC (Previous year ₹ Nil).

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

## 10. Transfers to Depositor Education and Awareness Fund (DEAF)

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Opening balance of amounts transferred to DEAF	66.25	39.74
Add: Amounts transferred during the year	25.26	26.77
Less: Amounts reimbursed by DEAF towards claims	0.55	0.26
Closing balance of amounts transferred to DEAF	90.96	66.25

## 11. Disclosure relating to Complaints

a) **Summary information on complaints received by the bank from customers and from the Offices of Ombudsman:**

Sr. No.	Particulars	March 31, 2022	March 31, 2021
<b>Complaints received by the bank from its customer</b>			
(1)	Number of complaints pending at the beginning of the year	800	549
(2)	Number of complaints received during the year	30,067	26,642
(3)	Number of complaints disposed during the year	29,766	26,391
(3.1)	Of which, number of complaints rejected by the Bank	781	265
(4)	Number of complaints pending at the end of the year	1,101	800
<b>Maintainable complaints received by the Bank from Offices of Banking Ombudsman (OBOs)</b>			
(5)	Number of maintainable complaints received by the Bank from OBOs	3,517	3,403
(5.1)	Of 5, number of complaints resolved in favour of the Bank from OBOs*	3,189	3,155
(5.2)	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs.	219	248
(5.3)	Of 5, number of complaints resolved after passing of Awards by BOs against the Bank	-	-
	Number of awards unimplemented within the stipulated time (other than those appealed)	-	-

\* 109 open complaints as on March 31, 2022 (Previous year 73 open complaints) are excluded

Complaints resolved within next working day is excluded from the above table.

**b) Details of top five grounds of complaints received by the bank from customers**

Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase / (decrease) in the no. 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)
<b>March 31, 2022</b>					
Account Opening / difficulty in operation of accounts	220	8,953	53.12%	427	6
Loans and advances	191	6,541	(3.82)%	384	-
Recovery Agents/ Direct Sales Agents	3	5,848	346.41%	-	-
Credit Cards	50	3,706	(51.49)%	7	-
Internet/ Mobile/ Electronic Banking	129	2,123	(3.94)%	100	2
Other Complaints	207	2,896	2.19%	183	33
<b>Total</b>	<b>800</b>	<b>30,067</b>	<b>12.86%</b>	<b>1,101</b>	<b>41</b>

Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase / (decrease) in the no. 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)
<b>March 31, 2021</b>					
Credit Card	1	7,640	(11.71)%	50	-
Loans and advances	151	6,801	(47.87)%	191	-
Account opening/ difficulty in operation of accounts	40	5,847	(36.51)%	220	-
Internet/ Mobile/ Electronic Banking	253	2,210	(45.62)%	129	-
ATM/Debit Cards	11	1,604	(16.93)%	40	-
Other Complaints	93	2,540	(63.87)%	170	46
<b>Total</b>	<b>549</b>	<b>26,642</b>	<b>(39.36)%</b>	<b>800</b>	<b>46</b>

**Note:** Compiled by management and relied upon by auditors.

## **12. Penalties imposed by RBI**

During the year ended March 31, 2022, penalty was imposed by the Reserve Bank of India (RBI) in exercise of powers vested under Section 47(A)(1)(c) read with section 46(4)(i) of the Banking Regulation Act, 1949. The Reserve Bank of India (RBI) imposed, monetary penalty of ₹ 1 crore for non-adherence with certain provisions of directions issued by RBI on 'Lending to Non-Banking Financial Companies (NBFCs)', 'Bank Finance to Non-Banking Financial Companies (NBFCs)', 'Loans and Advances – Statutory and Other Restrictions'.

During the year ended March 31, 2021, the RBI imposed a monetary penalty of ₹ 4.50 crores on the Bank in exercise of powers vested under the provisions of section 47A(1)(c) read with section 46(4)(i) of the Banking Regulation Act, 1949, for non-compliance with certain provisions of directions issued by RBI on Exposure Norms, Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, Supervisory Programme on Assessment of Risk and Capital – Monitoring of Information Submission by Banks, Creation of a Central Repository of Large Common Exposures Across Banks, and Disclosure in Financial Statements - Notes to Accounts.

## **13. Disclosure on Remuneration**

### **Compensation and Nomination & Remuneration Committee**

Effective October 1, 2021, the Compensation Committee was merged with the Nomination and Remuneration Committee (NRC) and was renamed Compensation and Nomination & Remuneration Committee (C & NRC). The C & NRC presently comprises four members, three of these members are Independent Directors including the Chairperson of the Committee, and one is a Non-Independent Director. On aspects relating to remuneration, the mandate of the C & NRC is to establish, implement and maintain remuneration policies, procedures and practices that help to achieve effective alignment between remuneration and risks. The Compensation and Nomination & Remuneration Committee is mandated to oversee framing, review and implementation and of the Compensation Policy of the Bank as per the RBI guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Risk Takers and Control function staff. The C & NRC is also required to ensure that the cost to income ratio of the Bank supports the remuneration expense of the Bank consistent with the objective of maintaining sound capital adequacy ratio. The Compensation and Nomination & Remuneration Committee also reviews compensation policies of the Bank with a view to attract, retain and motivate employees. The Compensation and Nomination & Remuneration Committee also looks after the administration and superintendence of grant of Options under the Employee Stock Option Schemes.

### **Compensation Policy**

From April 1, 2020, onwards, the Bank has implemented the RBI Guidelines on Compensation of Whole Time Directors / Chief Executive Officers/Material Risk Takers and Control Function Staff, issued vide circular dated November 4, 2019.

The Bank has formulated a Compensation Policy in alignment with the RBI guidelines, covering all components of compensation including Fixed pay, Perquisites, Performance bonus, Guaranteed bonus (joining / sign-on bonus), Share-linked instruments (Employee Stock Option Plan), Retirement benefits such as Provident Fund and Gratuity.

### **The key objectives of the policy are:**

- (i) Benchmark employee compensation for various job positions and skills with that of the market.
- (ii) Maintain an optimal balance between Fixed and Variable pay.
- (iii) Pay for 'Position, Performance and Person'.
- (iv) Be risk conscious and dissuade excessive risk taking (Focus on revenues and profits is balanced by emphasis on risk, operational health, compliance and governance).
- (v) Build employee ownership and long-term association through Long-term incentive plans (ESOPs, Deferred Bonus).
- (vi) Be compliant with all regulatory and statutory guidelines.

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

- (i) Basis the RBI description of Material Risk Takers, the Bank defines Material Risk Takers (MRTs) as critical personnel belonging to the business line functions of Corporate & Commercial Banking, Global Markets, Gems and Jewellery, Consumer, Consumer Finance Division, etc. whose functioning and decisioning impacts the Bank materially on tangible performance aspects of Revenues, Costs, and Profits. The Material Risk Takers are identified in accordance with the qualitative and quantitative criteria specified by the RBI guidelines, such as nature of their role necessitating making risk related decisions, size of business portfolio, role criticality, being amongst 0.3% of staff with highest remuneration in the Bank. Risk controllers are defined as personnel critical to the functioning of the business support functions of Finance & Accounts, Risk, Credit, Operations, Human Resources, Inspection and Audit, Information Technology, Digital, Compliance, Investor Relations, Secretarial, Legal, Corporate Services, etc. These functions support the business line functions through back-office business processes and their functioning does not have a revenue impact through business generation.

As a good governance measure, the Bank applies similar Compensation Principles applicable to the WTDs / CEO / MRTs to the identified Risk Controllers of the Bank.

- (ii) In respect of WTDs / CEO / Material Risk Takers / Risk Controllers of the Bank, the Compensation policy provides for a reasonable annual increase in fixed pay in line with the market benchmarks. Their individual increments are linked to their annual performance rating. The quantum of annual increment and increment percentages at various performance rating levels are decided on the basis of the financial performance of the Bank. Further, on a case-to-case basis, the Bank may provide a higher increment percentage based on the individual's performance, role and criticality.
- (iii) The quantum of overall variable pay to be disbursed in a year for all eligible employees including the Material Risk Takers and Risk Controllers may vary from year to year on the basis of the financial performance of the Bank measured through various parameters such as Net Interest Margin, Net Interest Income, Return on Assets, Pre Provision Operating Profit, Profit After Tax and Return on Equity, etc. Deterioration in the financial performance of the Bank in a given Financial Year would lead to a contraction in the total variable compensation, which can even be reduced to zero.
- (iv) Employee compensation is linked to performance. Increments and Variable pay are linked to the annual performance rating. Annual Performance Rating for an employee is arrived on the basis of tangible performance against pre-set Key Results Areas (KRAs) / measurable objectives set at the beginning of the financial year.
- (v) The individual Variable pay is linked to the annual performance rating and, based on variable pay grids that outline variable pay as a percentage of Annual Guaranteed Cash at various rating levels for a grade band. Exceptional variable pay may be paid to select high performers on a case-to-case basis within the limits stipulated in the RBI guidelines.
- (vi) As per the new RBI Compensation policy effective April 01, 2020, the overall compensation of WTDs/CEOs/ Material Risk Takers / Risk Controllers comprises Fixed Pay and Variable Pay. The Variable Pay for FY21 paid to the Material Risk Taker and Risk Controllers was a mix of cash and share linked instruments. The Bank followed the Variable pay composition and Deferral guidelines as per the RBI guidelines.
- (vii) The Bank has made applicable the malus/claw-back arrangements with the concerned employees in case of deferred variable pay. The criteria would be negative financial performance of the Bank and/or relevant line of business in any year, assessed divergence in the Bank's provisioning of NPAs, material failure of risk management controls, breach of internal rules or regulations, integrity / staff accountability issues, etc. As applicable, malus arrangement would adjust deferred remuneration before vesting and claw-back arrangement would adjust deferred remuneration after vesting.
- (viii) The Compensation Policy does not provide for guaranteed bonus or sign on bonus in cash. However, in case of select critical hires, joining/sign on bonus can be granted in form of pre-hiring ESOPs (a one-time grant made at the time of joining).

- (ix) The Compensation Policy does not provide for severance pay other than the accrued benefits of Gratuity, Provident Fund, Leave encashment wherever applicable, for any employee of the Bank. Retirement benefits in the form of Provident Fund and Gratuity are as per the Bank's HR policies which are in line with the statutory norms.
- (x) All Perquisites for WTDs / CEO / Material Risk Takers / Risk Controllers are laid down in the HR Policies of the Bank.
- (xi) For WTDs /CEO/ Material Risk Takers / Risk Controllers, share linked instruments such as ESOPs form a part of the Variable pay and are a part of the total compensation. For other employees, ESOPs would be very selectively granted to attract and retain talent. ESOPs are not granted with a defined periodicity. ESOP grant criteria include grade of the employee, criticality of the position in terms of business continuity and growth, market value of the position/ perceived future value creation, performance and behavioural track record of the employee.

**Other Disclosures**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Number of meetings held by NRC during the financial year and remuneration paid to its members	The Compensation Committee and the Nomination & Remuneration Committee were merged with effect from October 1, 2021, and was renamed Compensation and Nomination & Remuneration Committee. During the year, 4 meetings of the Nomination and Remuneration Committee and 7 meetings of the Compensation and Nomination & Remuneration Committee were held. The members were paid aggregate sitting fees of ₹ 8,40,000 for the above-mentioned meetings.	During the year, eight meetings of the NRC were held and the members were paid aggregate sitting fees of ₹ 7,80,000 for the nine meetings
Number of employees having received a variable remuneration award during the financial year	15 employees belonging to the category of WTD / CEO / Material Risk Takers/Risk Controllers had received a variable remuneration award	18 employees belonging to the category of WTD / CEO / Risk Takers/Other Control function staff had received a variable remuneration award
Number and total amount of 'sign on' awards made during the financial year	-	-
Details of guaranteed bonus, if any, paid as sign on bonus	-	-
Details of severance pay in addition to the accrued benefits	-	-
Total amount of outstanding deferred remuneration split into cash, shares and share linked instruments and other forms	Total amount of outstanding deferred remuneration in FY 22; ₹ 23.36 crores (Cash: ₹ 7.79 crores, Fair Value of ESOPs: ₹ 15.57 crores)	-
Total amount of deferred remuneration paid out in the financial year	There was no cash deferred remuneration paid during the year 2021-22. The fair value of Options granted in FY 21 and vesting during FY 22 was ₹ 5.76 crores	The deferred remuneration paid during the year 2020-21 was ₹ 1.41 crores

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Breakdown of amount of remuneration awards for the financial year	Break-up of remuneration awards for the 19 employees defined as WTD / CEO / Material Risk Takers / Risk Controllers	Breakup of remuneration awards for the 18 employees defined as WTD / CEO / Risk Takers / Other control function staff
	(a) Fixed pay for FY 22: ₹ 59.77 crores	(a) Fixed pay - ₹ 60.76 crores
	(b) Variable pay for FY 21: ₹ 31.61 crores	(b) Variable pay for FY 2019-20-
	(i) Cash component - ₹ 16.04 crores	(i) Cash component - ₹ 31.89 crores
	(ii) Fair value of ESOPs - ₹ 15.58 crores	(ii) Fair value of ESOPs - ₹ 21.08 crores
	(c) Deferred variable remuneration	(c) Deferred remuneration -
	(i) Cash and Fair value of ESOPs: ₹ 23.36 crores	(i) Fair value of ESOPs ₹ 21.08 crores
	- Deferred Cash Bonus: ₹ 7.79 crores	(d) Non-deferred remuneration -
	- Fair value of ESOPs: ₹ 15.58 crores	(i) Cash component - ₹ 31.89 crores
	(d) Non-deferred variable remuneration -	
	(i) Cash component - ₹ 8.25 crores	
Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and implicit adjustments.	-	-
Total amount of reductions during the FY due to ex - post explicit adjustments	-	-
Total amount of reductions during the FY due to ex - post implicit adjustments	-	-
Number of MRTs identified	6 MRTs and 1 WTD	7 MRTs and 1 WTD
Number of cases where clawback has been exercised	-	-
Number of cases where both malus and clawback have been exercised	-	-
The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTD s from the mean pay	₹ 0.08 crores and 97.19 times	₹ 0.08 crores and 98.33 times

Deferred variable remuneration includes the deferred cash value and fair value of ESOPs granted during the financial year 2021-22 pertaining to the financial year 2020-21. Fair value of Options has been computed using Black-Scholes options pricing model as on the grant date.

**14. Other Disclosures**
**14.1 Business ratios**

Ratio	March 31, 2022	March 31, 2021
i) Interest income as a percentage to working funds	8.55%	9.16%
ii) Non-interest income as a percentage to working funds	2.05%	2.07%
iii) Cost of Deposits	4.78%	5.36%
iv) Net Interest Margin	4.54%	4.71%
v) Operating profit as a percentage to working funds	3.56%	3.71%
vi) Return on assets	1.28%	0.90%
vii) Business (deposits plus advances) per employee (₹ in crores)	15.69	15.22
viii) Profit per employee (₹ in crores)	0.14	0.10

**Notes:**

- (1) Working funds are reckoned as the average of total assets as per the monthly return in Form X filed with RBI during the year.
- (2) Cost of deposit is computed by dividing the interest expense with the average deposit as reported in Form X.
- (3) Net Interest margin is computed by dividing the Net Interest Income with the Average Earning Assets as reported in form X. Net Interest Income is computed by reducing the Interest Expense from Interest Income.
- (4) Return on Assets is computed with reference to average working funds.
- (5) Business per employee (deposits plus gross advances) is computed after excluding inter-bank deposits.

**14.2 Bancassurance business**

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

(₹ in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
For selling life insurance policies	266.80	152.95
For selling non-life insurance policies	70.52	81.21
Others	-	-
<b>Total</b>	<b>337.32</b>	<b>234.16</b>

**14.3 Marketing and Distribution Business**

Fees / remuneration received in respect of marketing and distribution function (excluding bancassurance business) is disclosed as under:

(₹ in crores)

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Mutual Funds, Sovereign Gold Bonds, Alternative Products, Third Party Portfolio Management Services	52.53	31.16
Housing Loan Marketing	7.81	8.85
Equity Broking	6.14	5.25
Others	0.33	0.76
<b>Total</b>	<b>66.81</b>	<b>46.02</b>

**14.4 Priority Sector Lending Certificates (PSLC)**

(₹ in crores)

Particulars	Year ended		Year ended	
	March 31, 2022		March 31, 2021	
	PSLC Sold	PSLC Purchased	PSLC Sold	PSLC Purchased
1) PSLC Agriculture	-	480.00	-	6,949.00
2) PSLC Small Farmers/Marginal Farmers	1,800.00	700.00	350.00	2,779.25
3) PSLC Micro Enterprises	2,891.00	-	5,129.50	-
4) PSLC General	6,675.00	-	11,950.00	7,061.50

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

(₹ in crores)

Provision debited to Profit and Loss Account		March 31, 2022	March 31, 2021
i) Provisions for depreciation (including NPI and write off)		366.40	608.81
ii) Provision towards NPA (including bad debts write off)		4,146.61	5,059.79
iii) Provision made towards Income tax		1,562.53	947.75
iv) Other Provisions and Contingencies		2,151.94	2273.93

**14.6 Implementation of IFRS converged Indian Accounting Standards (Ind AS)**

The Reserve Bank of India (RBI) issued a circular in February 2016, requiring Scheduled Commercial Banks to implement Indian Accounting Standards (Ind AS) from April 1, 2018. Vide a press release dated 05 April 2018 the implementation was deferred by one year. The legislative amendments recommended by the Reserve Bank towards implementation of Ind AS are still under consideration of the Government of India. Accordingly, RBI had, through a notification dated March 22, 2019, deferred the Ind AS implementation until further notice.

Pursuant to the RBI Circular dated February 11, 2016, the Bank had formed a Steering Committee, comprising members from cross-functional areas, for the purpose of reviewing and monitoring the progress of implementation. The Bank had set up a Working Group under the guidance of the Steering Committee and has conducted Gap Assessment and identified the differences between the current accounting framework and Ind AS, including the identification of the accounting policy options provided under Ind AS 101, First Time Adoption.

The Audit Committee of the Board of Directors has an oversight on the progress of the Ind AS implementation. In accordance with RBI directions, the Bank has been submitting half yearly standalone pro forma Ind- AS financial statements along with other computations to the RBI, from time to time.

## 14.7 Payment of DICGC Insurance Premium

(₹ in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
i) Payment of DICGC Insurance Premium	351.87	271.85
ii) Arrears in payment of DICGC premium	-	-

## 15. Miscellaneous

### 15.1 Amount of Provisions for taxation during the year

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Current tax	1,773.71	1,653.67
Deferred tax (Refer Note 16.6)	(211.18)	(705.92)
<b>Total</b>	<b>1,562.53</b>	<b>947.75</b>

### 15.2 Fixed Assets

**15.2.1** Cost of premises includes ₹ 4.09 crores (Previous year ₹ 4.09 crores) in respect of properties for which execution of documents and registration formalities are in progress. Of these properties, the Bank has not obtained full possession of one property having written down value of ₹ 1.37 crores (Previous year ₹ 1.40 crores) and has filed a suit for the same.

#### 15.2.2 Computer software

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

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
At cost at the beginning of the year	648.71	550.05
Addition during the year	89.59	98.72
Deduction during the year	2.86	0.06
Accumulated depreciation as at the end of the year	535.26	456.98
Closing balance as at the end of the year	200.18	191.73
Depreciation charged for the year	78.55	77.67

### 15.3 Contingent Liabilities

The Bank's pending litigations include claims against the Bank by clients and counterparties and proceedings pending with tax authorities. The Bank has reviewed its pending litigations and proceedings and has adequately made, provisions wherever required and disclosed as contingent liabilities wherever applicable. Claims against the Bank not acknowledged as debts comprise of tax demands of ₹ 334.05 crores (Previous year ₹ 107.32 crores) in respect of which the Bank is in appeal, and legal cases *sub judice* of ₹ 399.34 crores (Previous year ₹ 375.04 crores). The Bank carries a provision of ₹ 7.41 crores (Previous year ₹ 4.86 crores) against legal cases *sub judice*. The amount of contingent liabilities is based on management's estimate, and it is not probable that any liability is expected to arise out of the same.

**15.4** The Bank has a process to assess periodically all long-term contracts (including derivative contracts), for material foreseeable losses. As at March 31, 2022, as well as March 31, 2021, the Bank has reviewed and made adequate provision as required under any law or an accounting standard for material foreseeable losses on such long term contracts (including derivative contracts).

**15.5** During the year as well as the previous year ended March 31, 2021, the Bank has transferred requisite amounts to the Investor Education and Protection Fund, without any delay.

### 15.6 Corporate Social Responsibility (CSR)

In accordance with the provisions of the Companies Act, 2013, during the year, the Bank was required to spend on CSR activities an amount of ₹ 107.41 crores (Previous year ₹ 120.23 crores).

The amount incurred towards CSR activities during the year and recognised in the statement of profit and loss amounted to ₹ 108.69 crores (Previous year ₹ 120.72 crores), comprising the following:

(₹ in crores)

	Year ended March 31, 2022			Year ended March 31, 2021		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of any asset	-	-	-	-	-	-
For purpose other than above	108.69	-	108.69	94.72	26.00	120.72
<b>Total</b>	<b>108.69</b>	<b>-</b>	<b>108.69</b>	<b>94.72</b>	<b>26.00</b>	<b>120.72</b>

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

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

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

In case of Section 135(5) unspent amount					
Financial Year	Opening Balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
FY 2021-22	₹ 26.00 crores	₹ 26.00 crores	₹ 26.00 crores	₹ 23.12 crores	₹ 2.87 crores

### 15.7 Drawdown from Reserves

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

### 15.8 Movement in depreciation of Fixed Assets

(₹ in crores)

Depreciation	March 31, 2022	March 31, 2021
<b>Premises</b>		
At the beginning of the year	117.93	104.58
Charge for the year	13.35	13.35
Deduction during the year	-	-
<b>Depreciation to date</b>	<b>131.28</b>	<b>117.93</b>

(₹ in crores)

<b>Depreciation</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Other Fixed Assets</b>		
At the beginning of the year	1,752.07	1,491.72
Charge for the year	307.86	292.04
Deduction during the year	45.89	31.69
<b>Depreciation to date</b>	<b>2,014.04</b>	<b>1,752.07</b>

### 15.9 Employee Stock Option Scheme

**15.9.1** On September 25, 2020, the shareholders of the Bank approved the IndusInd Bank Employee Stock Option Scheme 2020 (ESOS 2020), which comprehensively replaced the erstwhile Employee Stock Option Scheme 2007 (ESOS 2007) that was approved by the shareholders earlier on September 18, 2007. ESOS 2020 enables the Board and the Compensation Committee to grant such number of stock options of the Bank not exceeding 7% of the aggregate number of paid up equity shares of the Bank, in line with the guidelines issued by the SEBI. The options vest at one time or at various points of time as stipulated in the Award Confirmation issued by the Compensation Committee, and there shall be a minimum period of one year between the grant of option and vesting of the option. The unvested options shall expire by such period as stipulated in the Award Confirmation or five years from the grant of options whichever is earlier, or such further or other period as the Compensation Committee may determine. The exercise price for each grant is decided by the Compensation Committee, which is normally based on the latest available closing price and shall not be lower than the face value of the shares. Upon vesting, the options have to be exercised within a maximum period of five years or such period as may be determined by the Compensation Committee from time to time. The stock options are equity settled where the employees will receive one equity share per stock option.

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

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

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

#### ESOS 2020:

Sr. No	Date of grant	2021-2022		2020-2021	
		No. of options	Range of exercise price (₹)	No. of options	Range of exercise price (₹)
1	18-Jul-08	1,21,65,000	48.00 - 50.60	1,21,65,000	48.00 - 50.60
2	17-Dec-08	34,56,000	38.95	34,56,000	38.95
3	05-May-09	8,15,500	44.00	8,15,500	44.00
4	31-Aug-09	3,18,500	100.05	3,18,500	100.05
5	28-Jan-10	7,47,000	48.00 - 140.15	7,47,000	48.00 - 140.15
6	28-Jun-10	13,57,450	196.50	13,57,450	196.50

Sr. No	Date of grant	2021-2022		2020-2021	
		No. of options	Range of exercise price (₹)	No. of options	Range of exercise price (₹)
7	14-Sep-10	73,500	236.20	73,500	236.20
8	26-Oct-10	1,43,500	274.80	1,43,500	274.80
9	17-Jan-11	25,00,000	228.70	25,00,000	228.70
10	07-Feb-11	20,49,000	95.45 - 220.45	20,49,000	95.45 - 220.45
11	24-Jun-11	21,54,750	253.60	21,54,750	253.60
12	16-Aug-11	89,500	254.90	89,500	254.90
13	30-Sep-11	2,61,000	262.25	2,61,000	262.25
14	21-Dec-11	9,20,000	231.95	9,20,000	231.95
15	29-Feb-12	1,95,000	304.05	1,95,000	304.05
16	19-Apr-12	1,40,500	345.60	1,40,500	345.60
17	25-May-12	1,34,500	304.55	1,34,500	304.55
18	10-Jul-12	2,67,000	343.25	2,67,000	343.25
19	29-Aug-12	1,14,000	319.05	1,14,000	319.05
20	10-Oct-12	23,500	365.75	23,500	365.75
21	09-Jan-13	30,000	433.75	30,000	433.75
22	18-Apr-13	12,500	419.60	12,500	419.60
23	20-Jun-13	1,75,000	478.45	1,75,000	478.45
24	18-Jul-13	18,35,000	453.90	18,35,000	453.90
25	23-Sep-13	75,000	411.50	75,000	411.50
26	29-Oct-13	22,000	412.25	22,000	412.25
27	29-Jan-14	7,67,500	300.00 - 389.85	7,67,500	300.00 - 389.85
28	25-Mar-14	1,76,500	490.30	1,76,500	490.30
29	15-May-14	65,500	537.05	65,500	537.05
30	02-Jun-14	32,69,500	533.95	32,69,500	533.95
31	09-Jul-14	33,000	551.10	33,000	551.10
32	13-Oct-14	74,500	623.25	74,500	623.25
33	17-Jan-15	47,500	831.85	47,500	831.85
34	23-Feb-15	48,000	876.80	48,000	876.80
35	30-Mar-15	11,000	880.75	11,000	880.75
36	22-May-15	52,600	848.20	52,600	848.20
37	24-Jul-15	16,30,000	949.80	16,30,000	949.80
38	21-Sep-15	1,93,000	918.65	1,93,000	918.65
39	04-Nov-15	93,500	911.85	93,500	911.85
40	12-Jan-16	10,33,500	886.75 - 936.75	10,33,500	886.75 - 936.75
41	12-May-16	13,500	1,053.75	13,500	1,053.75
42	11-Jul-16	25,000	1,126.70	25,000	1,126.70

Sr. No	Date of grant	2021-2022		2020-2021	
		No. of options	Range of exercise price (₹)	No. of options	Range of exercise price (₹)
43	23-Aug-16	2,76,000	1,186.75	2,76,000	1,186.75
44	10-Oct-16	18,51,000	1,220.85	18,51,000	1,220.85
45	16-Nov-16	33,500	1,093.10	33,500	1,093.10
46	27-Jan-17	21,500	1,265.40	21,500	1,265.40
47	24-Mar-17	49,000	1,383.90	49,000	1,383.90
48	19-Apr-17	16,000	1,431.75	16,000	1,431.75
49	09-May-17	69,000	1,424.85	69,000	1,424.85
50	19-Jun-17	38,500	1,498.90	38,500	1,498.90
51	11-Jul-17	35,000	1,560.35	35,000	1,560.35
52	12-Oct-17	69,000	1,717.25	69,000	1,717.25
53	11-Jan-18	43,000	1,734.10	43,000	1,734.10
54	27-Mar-18	15,23,000	1,759.75	15,23,000	1,759.75
55	08-May-18	64,000	1,889.80	64,000	1,889.80
56	28-Sep-18	1,09,000	1,682.00	1,09,000	1,682.00
57	20-Mar-19	85,000	1,725.20	85,000	1,725.20
58	22-May-19	10,44,500	1,447.75	10,44,500	1,447.75
59	10-Oct-19	1,00,536	1,308.65	1,00,536	1,308.65
60	14-Jan-20	3,40,000	1,539.65	3,40,000	1,539.65
61	24-Apr-20	44,000	409.95	44,000	409.95
62	19-May-20	5,18,000	376.75	5,18,000	376.75
63	07-Aug-20	6,80,000	494.90	6,80,000	494.90
64	14-Aug-20	10,07,000	518.75	10,07,000	518.75
65	30-Dec-20	1,02,500	912.90	1,02,500	912.90
66	12-May-21	90,000	948.85	-	-
67	15-Sep-21	5,14,291	1,036.60	-	-
68	18-Oct-21	1,76,500	1,210.00	-	-
69	07-Jan-22	70,000	921.70	-	-
70	21-Feb-22	35,500	955.35	-	-
71	24-Mar-22	23,500	931.35	-	-

**ESOS 2018:**

Sr. No	Date of grant	2021-22		2020-21	
		No. of options	Range of exercise price (₹)	No. of options	Range of exercise price (₹)
1.	04-Jul-19	30,01,266	688.00 – 1,864.00	30,01,266	688.00 – 1,864.00
2.	12-Jul-19	22,86,540	1,541.25	22,86,540	1,541.25

### 15.9.2 Recognition of expense

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

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

### 15.9.3 Stock option activity

Stock option activity under ESOS 2020 is set out below.

Particulars	2021-22		2020-21	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	94,22,112	1,049.33	90,45,348	1,122.47
Granted during the year	9,09,791	1,046.83	23,51,500	495.72
Forfeited / surrendered during the year	3,95,815	1,191.90	6,47,779	1,364.09
Exercised during the year	12,89,905	654.04	13,17,372	412.20
Expired during the year	45,150	864.77	9,585	545.05
Outstanding at the end of the year	86,01,033	1,101.09	94,22,112	1,049.33
Options exercisable at the end of the year	60,68,109	1,228.69	64,34,657	1,193.44

The weighted average market price of options exercised during the year is ₹ 971.07 (Previous year ₹ 856.75).

Stock option activity under ESOS 2018 is set out below.

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

The weighted average market price of options exercised during the year is ₹ 1,020.13 (Previous year ₹ 925.85).

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

**ESOS 2020:**

Date of grant	2021-22			2020-21		
	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)
21-Dec-11	-	-	-	-	-	-
19-Apr-12	-	-	-	-	-	-
25-May-12	-	-	-	-	-	-
10-Jul-12	-	-	-	-	-	-
20-Jun-13	-	-	-	-	-	-
18-Jul-13	453.90	-	-	453.9	41,725	0.3
29-Oct-13	-	-	-	-	-	-
29-Jan-14	389.85	-	-	389.85	1,360	0.83
29-Jan-14	-	-	-	-	-	-
25-Mar-14	490.30	17,000	-	490.3	59,000	0.71
15-May-14	537.05	1,360	0.12	537.05	2,680	0.63
02-Jun-14	533.95	3,19,980	0.17	533.95	6,76,675	0.78
09-Jul-14	-	-	-	-	-	-
13-Oct-14	623.25	5,905	0.54	623.25	11,965	1.24
17-Jan-15	831.85	12,580	0.80	831.85	24,790	1.31
30-Mar-15	880.75	2,680	0.01	880.75	2,680	1.5
22-May-15	848.20	3,350	0.65	848.2	5,000	1.15
24-Jul-15	949.80	3,98,760	0.86	949.8	6,16,270	1.42
21-Sep-15	918.65	5,360	0.98	918.65	11,000	1.49
04-Nov-15	911.85	7,690	1.30	911.85	9,690	1.95
12-Jan-16	886.75	6,70,000	1.29	886.75	10,00,000	1.8
12-May-16	1,053.75	2,720	2.12	1,053.75	3,275	3.1
11-Jul-16	1,126.70	11,500	0.92	1,126.70	11,500	2.38
23-Aug-16	1,186.75	1,89,500	1.73	1,186.75	1,89,500	2.73
10-Oct-16	1,220.85	17,33,000	1.61	1,220.85	17,33,000	2.61
16-Nov-16	1,093.10	4,440	2.12	1,093.10	4,440	3.12
27-Jan-17	1,265.40	12,550	2.04	1,265.40	12,550	3.04
24-Mar-17	1,383.90	44,330	2.04	1,383.90	44,330	3.04
19-Apr-17	1,431.75	12,010	2.15	1,431.75	12,010	3.15
09-May-17	1,424.85	69,000	2.12	1,424.85	69,000	3.12
19-Jun-17	1,498.90	32,750	2.38	1,498.90	32,750	3.38
11-Jul-17	1,560.35	15,000	2.29	1,560.35	35,000	3.29
12-Oct-17	1,717.25	65,000	2.55	1,717.25	65,000	3.55

Date of grant	2021-22			2020-21		
	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)
11-Jan-18	1,734.10	35,000	2.80	1,734.10	41,000	3.8
27-Mar-18	1,759.75	11,33,070	2.91	1,759.75	12,13,100	3.96
08-May-18	1,889.80	42,500	3.12	1,889.80	42,500	4.12
28-Sep-18	1,682.00	66,000	3.51	1,682.00	90,610	4.23
20-Mar-19	1,725.20	55,000	3.98	1,725.20	67,000	4.98
22-May-19	1,447.75	8,70,120	4.06	1,447.75	9,28,245	5.11
10-Oct-19	1,308.65	86,702	4.54	1,308.65	97,967	5.45
14-Jan-20	1,539.65	20,000	4.80	1,539.65	20,000	5.8
24-Apr-20	409.95	11,910	5.17	409.95	24,000	6.09
19-May-20	376.75	2,66,660	5.54	376.75	4,53,000	6.15
07-Aug-20	494.9	4,97,765	5.52	494.9	6,60,000	6.37
14-Aug-20	518.75	9,33,050	5.45	518.75	10,07,000	6.39
30-Dec-20	912.9	82,500	5.76	912.9	1,02,500	6.76
12-May-21	948.85	72,000	6.12	-	-	-
15-Sep-21	1,036.60	4,86,791	6.47	-	-	-
18-Oct-21	1210	1,76,500	6.57	-	-	-
07-Jan-22	921.7	70,000	6.79	-	-	-
21-Feb-22	955.35	35,500	6.91	-	-	-
24-Mar-22	931.35	23,500	7.00	-	-	-

**ESOS 2018:**

Date of grant	2021-22			2020-21		
	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)
04-Jul-19	668.00-1,864.00	21,66,367	2.21	668.00-1,864.00	26,33,990	3.29
12-Jul-19	1,541.25	17,67,964	4.71	1,541.25	20,28,033	5.78

**15.9.4 Fair value methodology**

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

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

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

The Bank has changed valuation of stock-based compensation to fair value using Black-Scholes model from intrinsic value starting April 1, 2021. ESOP's granted during the FY2021-22 are valued at fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model and is recognised as compensation expense over the vesting period. ESOP's granted before April 1, 2021 are still valued at intrinsic value and if these options were valued at fair value then as a result, 'Employees cost' for the year ended March 31, 2022 would have been increased by ₹ 17.20 crores with a consequent reduction in profit after tax.

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

<b>Particulars</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<i>Pro forma</i> basis		
Basic earnings per share ₹	59.40	38.42
Diluted earnings per share ₹	59.30	38.35

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

**15.10 Movement in provisions**

Movement in provision for credit card and debit card reward points

	(₹ in crores)	
<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
Opening provision for Reward Points	57.69	51.65
Provision for Reward Points made during the year	42.92	23.29
Utilisation / write back of provision for Reward Points	(29.75)	(17.25)
Effect of change in rate for accrual of Reward Points		-
<b>Closing provision for Reward Points</b>	<b>70.86</b>	<b>57.69</b>

**15.11 Non-banking Assets acquired in Satisfaction of Claims**

The following table presents details of non-banking assets acquired under bilateral Debt Asset Swap scheme and the provision made therefor in accordance with RBI directions.

Particulars	₹ in crores)	
	March 31, 2022	March 31, 2021
Amount of land held under 'Non-Banking assets acquired in satisfaction of claim'	-	347.55
Provision held at the beginning of the year	173.79	173.79
Provision made during the year	100.00	-
Provision Reversed during the year	273.79	-
Provision held at the end of the year	-	173.79

**15.12 Proposed Dividend**

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

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

**15.13 Letters of Comfort**

The Bank has not issued any letters of comfort during the year ended March 31, 2022 (Previous year Nil).

**15.14** The Micro, Small and Medium Enterprises Development Act, 2006 that came into force from October 2, 2006, provides for certain disclosures in respect of Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or interest payments due to delays in such payments.

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

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

**15.16 Service Provider Fees**

Other expenses forming a part of Schedule 16 includes service provider fees amounting to ₹ 2,078.43 crores (Previous Year ₹ 1,705.43 crores).

**16. Disclosures – Accounting Standards**
**16.1 Employee Benefits (AS-15)**
**Gratuity:**

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

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
<b>Changes in the present value of the obligation</b>		
1. Opening balance of Present Value of Obligation	159.54	139.41
2. Interest Cost	9.95	9.54
3. Current Service Cost	20.02	18.57
4. Benefits Paid	(24.58)	(14.10)
5. Actuarial loss / (gain) on Obligation	3.90	6.12
6. Closing balance of Present Value of Obligation	168.81	159.54
<b>Reconciliation of opening and closing balance of the fair value of the Plan Assets</b>		
1. Opening balance of Fair value of Plan Assets	160.72	147.05
2. Adjustment to Opening Balance	(1.89)	(0.02)
3. Expected Return on Plan assets	11.67	11.12
4. Expenses	(0.52)	-
5. Contributions	34.56	15.40
6. Benefits Paid	(24.58)	(14.10)
7. Actuarial gain / (loss) on Plan Assets	(3.18)	1.27
8. Closing balance of Fair Value of Plan Assets	176.78	160.72
<b>Profit and Loss – Expenses</b>		
1. Current Service Cost	20.02	18.57
2. Interest Cost	9.95	9.54
3. Expected Return on Plan assets	(11.67)	(11.12)
4. Expenses	0.52	-
5. Net Actuarial loss recognised in the year	7.07	4.85
6. Expenses recognised in the Profit and Loss account	25.88	21.84
<b>Funded status</b>	100% insurance managed funds	100% insurance managed funds
<b>Actuarial Assumptions</b>		
1. Discount Rate	6.90 – 7.30	6.75 - 6.77%
2. Expected Rate of Return on Plan Assets	6.77 – 8.00%	6.37 - 8.00%
3. Expected Rate of Salary Increase	5.00%	5.00%
4. Employee Attrition Rate		
- Past Service 0 to 5 years	30.00%	30.00%
- Past Service above 5 years	0.50%	0.50%

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

**Experience Adjustment**

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Defined Benefit Obligations	168.81	159.54	139.41	110.52	89.48
Plan Assets	177.30	160.72	147.05	116.97	93.52
Surplus / (Deficit)	7.97	1.18	7.64	6.45	4.04
Experience Adjustments on Plan Liabilities	(3.90)	(6.12)	(11.71)	(8.22)	0.92
Experience Adjustments on Plan Assets	(3.18)	1.27	(2.86)	(1.85)	(4.32)

Contributions expected to be paid to the plan during the annual period beginning after the Balance Sheet date is ₹ 30 crores (Previous year ₹ 28 crores).

**Compensated Absence**

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

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Total actuarial liability	101.76	83.99
Total expense included in Schedule 16(l)	22.27	13.39
<b>Assumptions</b>		
Discount Rate	7.30%	6.77%
Salary escalation rate	5.00%	5.00%

**Provident Fund**

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

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
<b>Assets/ Liabilities</b>		
Present value of Interest Rate guarantee on Provident Fund	0.22	6.41
Present value of Total Obligation	287.10	266.05
Fair value of Plan Assets	298.32	259.68
Net asset / (liability) recognized in the Balance Sheet	11.22	(6.37)
<b>Assumptions</b>		
Normal Retirement age	60 years	60 years
Expected guaranteed interest on PF in future	8.10%	8.50%
Discount rate	7.45 - 8.48%	6.77%
Expected average remaining working lives of employees (years)	6.75 - 9.64	7.35 - 9.64

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Benefit on normal retirement	Accumulated account balance with interest rate equal to or more than EPFO Rate	Accumulated account balance with interest rate equal to or more than EPFO Rate
Benefit on early retirement/withdrawal/resignation	Same as normal retirement benefit	Same as normal retirement benefit
Benefit on death in service	Same as normal retirement benefit	Same as normal retirement benefit

## National Pension Scheme (NPS)

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

## 16.2 Segment Reporting (AS 17)

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

### Business Segments

(₹ in crores)

Business Segment	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operation		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Revenue	6,993.51	6,662.09	9,100.87	8,729.89	24,008.06	20,345.46	115.46	174.24	40,217.90	35,911.68
Inter Segment Revenue									(1,998.41)	(353.27)
Total Income									38,219.49	35,558.41
Result	1,391.26	1,958.90	3,259.56	2,990.79	8,465.47	7,021.65	43.52	60.74	13,159.81	12,032.08
Unallocated Expenses									(321.21)	(305.41)
Operating Profit									12,838.60	11,726.67
Provisions and Contingencies (Other than tax)									(6,664.95)	(7,942.53)
Tax Expenses									(1,562.53)	(947.75)
Extraordinary profit/loss									-	-
Net Profit									4,611.12	2,836.39
Other Information:										
Segment Assets	1,02,273.42	98,700.83	1,20,462.83	1,06,024.25	1,66,028.71	1,44,168.60	-	-	3,88,764.96	3,48,893.68
Unallocated Assets									13,209.62	14,079.07
Total Assets									4,01,974.58	3,62,972.75
Segment Liabilities	48,053.93	52,074.78	99,645.75	1,00,017.70	1,95,460.15	1,57,751.98	-	-	3,43,159.83	3,09,844.46
Unallocated Liabilities									58,814.75	53,128.29
Total Liabilities									4,01,974.58	3,62,972.75

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

The above information is extracted from the Management Information System of the Bank and relied on by the auditors.

#### Geographic Segments:

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

### 16.3 Related party transactions (AS-18)

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

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

##### Key Management Personnel (KMP)

Mr. Sumant Kathpalia, Managing Director

##### Relatives of KMP

Mrs. Ira Kathpalia, Mr. Karan Kathpalia

##### Associates

IndusInd Marketing and Financial Services Private Limited

##### Subsidiaries

Bharat Financial Inclusion Limited (formerly IndusInd Financial Inclusion Limited)

#### b) Transactions during the year

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

(₹ in crores)

Particulars	Parent (as per ownership control)*	Subsidiaries*	Associates/ Joint Venture*	Key Management Personnel*	Relatives of Key Management Personnel	Total
Interest paid	-	-	-	-	0.60	0.60
Interest received	-	-	-	-	-	-
Rendering of services	-	-	-	-	-	-
Receiving of services	-	-	-	-	-	-
Management contracts	-	-	-	-	-	-

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

Figures in parenthesis represent maximum balance outstanding during the year.

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

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

**Key Management Personnel (KMP)**

Mr. Sumant Kathpalia, Managing Director

**Relatives of KMP**

Mrs. Ira Kathpalia, Mr. Karan Kathpalia

**Associates**

IndusInd Marketing and Financial Services Private Limited

**Subsidiaries**

Bharat Financial Inclusion Limited (formerly IndusInd Financial Inclusion Limited)

**b) Transactions during the year**

(₹ in crores)

Particulars	Parent (as per ownership control)*	Subsidiaries*	Associates/ Joint Venture*	Key Management Personnel*	Relatives of Key Management Personnel*	Total
Borrowings	-	-	-	-	-	-
Deposits	-	-	-	-	10.61 (11.81)	10.61 (11.81)
Placement of deposits	-	-	-	-	-	-
Advances	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Non-funded commitments	-	-	-	-	-	-
Leasing/HP arrangements availed	-	-	-	-	-	-
Leasing/HP arrangements provided	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Interest paid	-	-	-	-	0.73	0.73

(₹ in crores)

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

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

Figures in parenthesis represent maximum balance outstanding during the year.

#### 16.4 Operating Leases (AS 19)

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

(₹ in crores)

Particulars	March 31, 2022	March 31, 2021
Future lease rentals payable as at the end of the year:		
- Not later than one year	390.33	337.87
- Later than one year but not later than five years	1,048.31	1,057.02
- Later than five years	379.26	402.48
Total of minimum lease payments recognized in the Profit and Loss Account for the year	378.41	341.75
Total of future minimum sub-lease payments expected to be received under non-cancellable sub-lease	-	-
Sub-lease payments recognized in the Profit and Loss account for the year	-	-

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

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

#### 16.5 Earnings per share (AS 20)

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

Particulars	For the Year ended	
	March 31, 2022	March 31, 2021
Net Profit after tax (₹ in crores)	4,611.12	2,836.39
Basic weighted average number of equity shares	77,40,94,014	73,19,29,220
Diluted weighted average number of equity shares	77,53,72,364	73,32,30,801
Nominal value of Equity Shares (₹)	10	10
Basic Earnings per Share (₹)	59.57	38.75
Diluted Earnings per Share (₹)	59.47	38.68

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

## 16.6 Deferred Tax (AS 22)

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

(₹ in crores)

Particulars	March 31, 2022		March 31, 2021	
	Deferred Tax		Deferred Tax	
	Assets	Liabilities	Assets	Liabilities
<b>Timing difference on account of</b>				
Difference between depreciation as per the books of account and depreciation under the Income Tax Act, 1961	2.33	-	-	1.96
Difference between Provisions for doubtful debts and advances and amount allowable under Section 36(1)(viii) of the Income Tax Act, 1961	1,390.89	-	1,809.14	-
Difference between income as per the books of account and income offered under the Income Tax Act, 1961	-	364.80	-	353.30
Others	832.07	-	195.43	-
<b>Total</b>	<b>2,225.29</b>	<b>364.80</b>	<b>2,004.57</b>	<b>355.26</b>
<b>Net Deferred Tax Asset (included in Sch. 11 – Others)</b>	<b>1860.49</b>		<b>1,649.31</b>	

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

As per our report of even date.

**For Haribhakti & Co. LLP**

Chartered Accountants

Firm Registration No: 103523W/W100048

**per Purushottam Nyati**

Partner

Membership No: 118970

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

Chartered Accountants

Firm Registration No: 101851W

**per Anagha Thatte**

Partner

Membership No: 105525

**For INDUSIND BANK LIMITED**

**Arun Tiwari**

Chairman

DIN: 05345547

**Sanjay Asher**

Director

DIN: 00008221

**Gobind Jain**

Chief Financial Officer

**Sumant Kathpalia**

Managing Director

DIN: 01054434

**Bhavna Doshi**

Director

DIN: 00400508

**Girish Koliyote**

Company Secretary

Place : Mumbai

Date : April 29, 2022

## Independent Auditors' Report

To the Members of IndusInd Bank Limited

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

#### **Opinion**

We have audited the accompanying consolidated financial statements of **IndusInd Bank Limited** (hereinafter referred to as "the Bank") and its subsidiary (the Bank and its subsidiary together referred to as "the Group"), and its associate, comprising of the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor and one of the joint auditor on separate financial statements and on the other financial information of the associate and subsidiary company respectively, the aforesaid consolidated financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2022, their consolidated profit and their consolidated cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### **Emphasis of Matter**

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

Our opinion is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
<p><b>Information Technology (IT) Controls Framework impacting financial controls</b></p>	
<p>The Bank has a complex IT architecture to support its day- to- day business operations. The volume of transactions processed and recorded is huge. Moreover, a transaction may be required to be recorded across multiple applications depending upon the process and each application has different rules and a different set of user access and authority matrix. These applications are interlinked using different technologies so that data transfer happens in real time or at a particular time of the day; in batches or at a transaction level and in an automated manner or manually. The Core Banking Solution (CBS) itself has many interfaces. All these data streams directly affect the financial accounting and reporting process of the Bank.</p> <p>The Bank has a process for identifying the applications where the controls are embedded. It also has a process to ensure that systems, processes and controls remain relevant. The Bank's IT control framework includes automated, semi-automated and manual controls designed to address identified risks. IT controls are stated in Entity Level Controls (ELC), IT General Controls (ITGC) and IT Application Controls (ITAC).</p> <p>We have identified IT Controls Framework as a Key Audit Matter as the Bank's business is highly dependent on technology, the IT environment is complex and the design and operating effectiveness of IT controls have a direct impact on its financial reporting process. Review of these controls allows us to provide assurance on the integrity and completeness of data processed through various IT applications which are used for the preparation of financial reports.</p>	<p>IT audit specialists are an integral part of our engagement team. Our approach of testing IT General Controls (ITGC) and IT Application Controls (ITAC) is risk based and business centric.</p> <p>As part of our IT controls testing, we have tested ITGC as well as ITAC. The focus of testing of ITGCs was based on the various parameters such as Completeness, Validity, Identification/ Authentication Authorization, Integrity and Accountability. On the other hand, focus of testing automated controls from applications was whether the controls prevent or detect unauthorized transactions and support financial objectives including completeness, accuracy, authorization and validity of transactions.</p> <p>We gathered an understanding of IT applications landscape implemented at the Bank. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology.</p> <p>In ITGC testing, on sample basis, we reviewed control areas such as User Management, Change Management, Systems Security, cyber security, interface testing, deployment of new applications, Incident Management, Physical &amp; Environmental Security, Backup and Restoration, Business Continuity and Disaster Recovery, Service Level Agreement.</p> <p>For ITAC, we carried out on sample basis, compliance tests of system functionality in order to assess the accuracy of system calculations. We also carried out procedures such as validations and limit checks on data entered into applications, approvals, process dependencies and restriction on time period in which transactions may be recorded.</p> <p>We tested the control environment using various techniques such as inquiry, walkthroughs in live environment, review of documentation/ record/ reports, observation and re-performance. We also tested few controls using negative testing technique. We had taken adequate samples for our tests considering the audit universe.</p> <p>Wherever deviations were noted either the same were explained to our satisfaction or we tested compensating controls and performed alternate procedures, where necessary, to draw comfort.</p>
<p><b>Classification, Provisioning and Write off of Advances (Refer Schedule 5, Schedule 9, note 7 of Schedule 17 to the consolidated financial statements)</b></p>	
<p>The Bank's portfolio of loans and advances to borrowers (net of provisions) amounts to ₹ 2,39,052 crores as at March 31, 2022.</p> <p>As required under prudential norms on Income Recognition, Asset Classification and provisioning pertaining to advances (IRAC norms) issued by the Reserve Bank of India (RBI), "Resolution framework for Covid-19 related Stress" (the "Resolution Framework") issued by the RBI on August 06, 2020 and May 05, 2021 and relevant other circulars, notifications and directives issued by the RBI which were collectively considered by the Bank till March 31, 2022 classifies advances into performing and non-performing advances (NPA) which consists of Standard, Sub-standard, Doubtful and Loss and makes appropriate provisions.</p>	<p>We gained understanding of the processes by carrying out walkthroughs and tested the key controls over borrower risk grading for advances (including larger customer exposures that are monitored individually) for classification of such loans as performing or non-performing. Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Tested on sample basis, the approval of new lending facilities, the annual review/renewal assessments for existing facilities against the Bank's credit policies, and controls over the monitoring of credit quality;</li> </ul>

Key Audit Matters	How our audit addressed the key audit matter
<p>The Bank, as per its governing framework, made the performing and non-performing advances provisions based on Management's assessment of the degree of impairment of the advances subject to and guided by minimum provisioning levels prescribed under relevant RBI guidelines.</p> <p>The Classification, Provisioning and Write off of Advances is a Key Audit Matter as the Bank has significant credit risk exposure to a large number of borrowers across various sectors, products, industries and geographies and there is a high degree of complexity, uncertainty and judgment involved in recoverability of advances, nature of transactions and estimation of provisions thereon and identification of accounts to be written off.</p> <p>The same resulted in significant audit efforts to address the risks around loan recoverability and the determination of related provisions.</p> <p>Implementation of the RBI circulars also required the Bank to implement changes in its base Information Technology applications.</p>	<ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to borrower wise classification of loan in the respective asset classes viz., standard, sub-standard, doubtful and loss with reference to their days-past-due (DPD) status (including consideration of non-financial parameters of NPA, restructuring guidelines, and Resolution framework) and provisioning of advances. Tested the operating effectiveness of these internal controls;</li> <li>• Tested loans on sample basis to form our own assessment as to whether impact of impairment events have been recognised in a timely manner by the Bank;</li> <li>• Made inquiries of management regarding any effects considered on the NPA identification and / or provisioning, resulting from observations raised by the RBI during their annual inspection of the Bank's operations;</li> <li>• For the selected non-performing advances, we assessed Management's forecast and inputs of recoverable cash flows, impact of auditor's comments on the financial statements, valuation of underlying security and collaterals, estimation of recoverable amounts on default and other sources of repayment;</li> <li>• Obtained the Board approved note for advances written off during the year;</li> <li>• Held specific discussions with the Credit and Risk departments to ascertain how various Early Warning Signal (EWS) and potential defaults have been identified and assessed in identification of NPA;</li> <li>• Performed credit assessments of a sample of corporate and retail loans including larger exposures assessed by Bank showing signs of deterioration, or in areas of emerging risk (assessed against external market conditions). We have reviewed the Bank's risk grading of the loan, their account statement review and assessment of loan recoverability and the impact on the credit provision. To do this, we used the information on the Borrowers loan file, discussed the case with the concerned officials and senior management, and performed our own assessment of recoverability; and</li> <li>• Reviewed Bank's policy including Standard Operating Procedures with respect to implementation of Resolution framework ('guidelines') and tested sample to ascertain the implementation of those guidelines by the Bank.</li> </ul> <p><b>Provisions for advances:</b></p> <ul style="list-style-type: none"> <li>• Tested the Bank's processes for making provision on advances for compliance with RBI regulations and internally laid down policies for provisioning;</li> <li>• We had taken the walkthrough for automation of NPA process deployed through CRISMAC in the current financial year and tested the core functionality for selected sample considering the audit universe. Tested the completeness and accuracy of data transferred from underlying source systems used for computing collective provision;</li> </ul>

Key Audit Matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>• Considered board approved policy and internal laid down policy for higher provision for advances covered under Resolution Framework, stressed sectors, adopted by the Bank;</li> <li>• Validated the parameters used to calculate collective provisions with reference to IRAC norms;</li> <li>• Tested provision created for fraud accounts as at March 31, 2022 as per the RBI circular;</li> <li>• Re-performed, for a sample of retail and corporate portfolios, the calculation of provisions, to determine the accuracy of the same (Collective for standard portfolio and case specific for non performing portfolio);</li> <li>• With respect to holding provision as at March 31, 2022 against the potential impact of Covid-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Bank;</li> <li>• We perused the submissions to the Board of Directors for the NPA Provisioning made as at March 31, 2022;</li> <li>• With respect to the Resolution Framework, we have ensured that the Bank's Board approved policy was in accordance with RBI circulars. On a test check basis, we ensured that restructuring was approved and implemented, and provision made on such restructured accounts are in accordance with the Bank's board approved policy and the resolution framework; and</li> <li>• Assessed the adequacy of disclosures against the RBI Guidelines.</li> </ul>

### **Other Information**

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report and Management Discussion and Analysis, but does not include the standalone financial statements, consolidated financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Bank's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed

under Section 133 of the Act, read with the relevant rules issued thereunder, provision of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by RBI from time to time ("RBI Guidelines"). The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, Banking Regulations Act, 1949 and the RBI Guidelines for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation and presentation of the consolidated financial statements by the Directors of the Bank, as aforesaid.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank, its subsidiary company and associate company, which are companies incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, to express an opinion on the consolidated

financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor/ one of the joint statutory auditors, such other auditors/ one of the joint statutory auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Bank and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Other Matters**

- a. One of the Joint Statutory Auditors has carried out audit of the consolidated financial statements of the Bank for the year ended March 31, 2021 and issued an unmodified opinion vide its report dated April 30, 2021.
- b. The accompanying consolidated financial statements include Group's share of net profit of ₹ 0.40 crores for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. The financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate company, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of such other auditor.
- c. The audited consolidated financial statements include the audited financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 975.35 crores and net assets of ₹ 370.04 crores as at March 31, 2022, total revenue of ₹ 1,637.21 crores, net profit after tax of ₹ 193.52 crores and net cash inflows of ₹ 24.54 crores for the year ended on that date. These financial statements have been audited by one of the joint statutory auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such joint statutory auditor.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and one of the joint statutory auditors.

## **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor and one of the joint statutory auditors on separate financial statements and the other financial information of the associate and the subsidiary respectively, as noted in the Other Matters Section above we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor/ one of the joint statutory auditors;
- c. The Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder to the extent they are not inconsistent with accounting policies prescribed by RBI;
- e. On the basis of the written representations received from the directors of the Bank as on March 31, 2022 and taken on record by the Board of Directors of the Bank and the reports of the statutory auditors of its subsidiary company and associate company, incorporated in India, none of the directors of the subsidiary company and its associate company, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank, its subsidiary company and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate report in the "Annexure A";
- g. With respect to the other matter to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended;

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

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014; as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate - Refer Schedule 12 and Note 3 of Schedule 18 to the consolidated financial statements;
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 4 of Schedule 18 to the consolidated financial statements in respect of such items as it relates to the Group and its associate;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank, its subsidiary company and associate company incorporated in India.
  - (iv) (a) Based on our audit report on separate financial statements of the Bank and its subsidiary company and associate company, incorporated in India, and consideration of reports of one of the joint statutory auditors and the other auditor on separate financial statements of its subsidiary company and associate company respectively, incorporated in India, whose financial statements have been audited under the Act, the management of the Bank and the respective management of the aforesaid subsidiary and associate, have represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts of the consolidated financial statements under Note 10.4(1) of Schedule 18, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group and its associate, to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the

Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group and its associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (iv) (b) Based on our audit report on separate financial statements of the Bank and its subsidiary company and associate company, incorporated in India, and consideration of report of one of the joint statutory auditors and the other auditor on separate financial statements of its subsidiary company and associate company respectively, incorporated in India, whose financial statements have been audited under the Act, the management of the Bank and the respective management of the aforesaid subsidiary and associate, have represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts of the consolidated financial statements under Note 10.4(2) of Schedule 18, no funds have been received by the Group, its associate, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group and its associate, shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (iv) (c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, and consideration of report of one of the joint statutory auditors and the other auditor on separate financial statements of the subsidiary company and associate company respectively, incorporated in India, whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note 10.2 to the consolidated financial statements:
  - a. The final dividend proposed in the previous year, declared and paid by the Bank during the year is in compliance with section 123 of the Act, as applicable.
  - b. The Board of Directors of the Bank have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General meeting. The amount of dividend proposed is in compliance with Section 123 of the Act, as applicable.

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

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

**Purushottam Nyati**

Partner

Membership No. 118970

UDIN: 22118970AICILR6777

Place: Mumbai

Date: April 29, 2022

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

Chartered Accountants

ICAI Firm Registration No.101851W

**Anagha Thatte**

Partner

Membership No. 105525

UDIN: 22105525AIJWHQ3257

Place: Mumbai

Date: April 29, 2022

## Annexure A to Independent Auditors' Report

**[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of IndusInd Bank Limited on the consolidated financial statements for the year ended March 31, 2022]**

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

In conjunction with our audit of the consolidated financial statements of **IndusInd Bank Limited** ("the Bank") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of the Bank, its subsidiary company and its associate company, which are companies incorporated in India, as of that date.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Bank, its subsidiary company and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Bank, its subsidiary company and its associate company.

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

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

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

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

## ***Opinion***

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditor as mentioned in Other Matters paragraph below, the Bank, its subsidiary company and its associate company, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

## ***Other Matters***

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

Our opinion is not modified in respect of this matter.

### **For Haribhakti & Co. LLP**

Chartered Accountants  
ICAI Firm Registration No.103523W/W100048

### **Purushottam Nyati**

Partner  
Membership No. 118970  
UDIN: 22118970AICILR6777

Place: Mumbai  
Date: April 29, 2022

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

Chartered Accountants  
ICAI Firm Registration No.101851W

### **Anagha Thatte**

Partner  
Membership No. 105525  
UDIN: 22105525AIJWHQ3257

Place: Mumbai  
Date: April 29, 2022

## Consolidated Balance Sheet as at March 31, 2022

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

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

As per our report of even date.

**For Haribhakti & Co. LLP**

Chartered Accountants

Firm Registration No: 103523W/W100048

**per Purushottam Nyati**

Partner

Membership No: 118970

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

Chartered Accountants

Firm Registration No: 101851W

**per Anagha Thatte**

Partner

Membership No: 105525

Place : Mumbai

Date : April 29, 2022

**For INDUSIND BANK LIMITED**

**Arun Tiwari**

Chairman

DIN: 05345547

**Sanjay Asher**

Director

DIN: 00008221

**Gobind Jain**

Chief Financial Officer

**Sumant Kathpalia**

Managing Director

DIN: 01054434

**Bhavna Doshi**

Director

DIN: 00400508

**Girish Koliyote**

Company Secretary

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

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

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

As per our report of even date.

**For Haribhakti & Co. LLP**

Chartered Accountants

Firm Registration No: 103523W/W100048

**per Purushottam Nyati**

Partner

Membership No: 118970

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

Chartered Accountants

Firm Registration No: 101851W

**per Anagha Thatte**

Partner

Membership No: 105525

Place : Mumbai

Date : April 29, 2022

**For INDUSIND BANK LIMITED**

**Arun Tiwari**

Chairman

DIN: 05345547

**Sanjay Asher**

Director

DIN: 00008221

**Gobind Jain**

Chief Financial Officer

**Sumant Kathpalia**

Managing Director

DIN: 01054434

**Bhavna Doshi**

Director

DIN: 00400508

**Girish Koliyote**

Company Secretary

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

	For the year ended 31.03.2022	₹ in '000s For the year ended 31.03.2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before taxation</b>	6432,81,97	3929,41,97
<b>Adjustments for :</b>		
Depreciation on Fixed assets	352,02,35	327,64,35
Depreciation on Investments	366,40,17	608,81,07
Employees Stock Option expenses	1231,45	14,15
Loan Loss and Other Provisions	6298,54,78	7333,71,71
Amortisation of premium on HTM investments	375,85,43	239,40,42
(Profit) / Loss on sale of fixed assets	1,13,03	(1,37,87)
Share in current period profit of Associate	39,84	22,12
<b>Operating Profit before Working Capital changes</b>	<b>13839,49,02</b>	<b>12437,97,92</b>
<b>Adjustments for :</b>		
(Increase) in Advances	(32754,67,39)	(13145,96,20)
(Increase) in Investments	(2018,72,58)	(10563,19,84)
(Increase) / Decrease in Other Assets	1255,85,50	246,77,44
Increase in Deposits	37479,36,53	53843,11,36
Increase in Other Liabilities	1058,56,53	2990,14,48
<b>Cash generated from Operations</b>	<b>18859,87,61</b>	<b>45808,85,16</b>
Direct Taxes paid (net of refunds)	(2187,68,85)	(833,13,44)
<b>Net Cash generated from Operating Activities</b>	<b>16672,18,76</b>	<b>44975,71,72</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (including WIP)	(414,29,92)	(341,20,04)
Proceeds from sale of Fixed Assets	8,13,84	10,06,64
<b>Net Cash used in Investing Activities</b>	<b>(406,16,08)</b>	<b>(331,13,40)</b>

	For the year ended 31.03.2022	₹ in '000s For the year ended 31.03.2021
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares (net of issue expenses)	84,42,85	5334,95,12
Redemption of Long Term Infrastructure Bonds	(500,00,00)	-
Dividends paid	(386,99,45)	-
Redemption of Perpetual Debt instruments	(1000,00,00)	-
Proceeds from Sub-ordinated Tier II capital	2800,00,00	-
Decrease in Borrowings	(5299,58,87)	(9430,73,76)
<b>Net Cash used in Financing Activities</b>	<b>(4302,15,47)</b>	<b>(4095,78,64)</b>
Effect of foreign currency translation reserve	10,94,68	6,98,61
<b>Net Increase in Cash and Cash Equivalents</b>	<b>11974,81,89</b>	<b>40555,78,29</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>56609,88,89</b>	<b>16054,10,59</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>68584,70,78</b>	<b>56609,88,89</b>

**Notes:**

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

As per our report of even date.

**For Haribhakti & Co. LLP**

*Chartered Accountants*

Firm Registration No: 103523W/W100048

**per Purushottam Nyati**

*Partner*

Membership No: 118970

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

*Chartered Accountants*

Firm Registration No: 101851W

**per Anagha Thatte**

*Partner*

Membership No: 105525

Place : Mumbai

Date : April 29, 2022

**For INDUSIND BANK LIMITED**

**Arun Tiwari**

*Chairman*

DIN: 05345547

**Sanjay Asher**

*Director*

DIN: 00008221

**Gobind Jain**

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**Sumant Kathpalia**

*Managing Director*

DIN: 01054434

**Bhavna Doshi**

*Director*

DIN: 00400508

**Girish Koliyote**

*Company Secretary*

## Schedules

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

**Schedules (Contd.)**

	<b>As at 31.03.2022</b>	<b>₹ in '000s As at 31.03.2021</b>
<b>(b) Capital Reserve</b>		
Opening balance	557,04,15	427,02,92
Additions during the year	76,80,62	130,01,23
	<b>633,84,77</b>	<b>557,04,15</b>
<b>(c) Capital Reserve on Consolidation</b>		
Opening balance	35	35
Additions during the year	-	-
	<b>35</b>	<b>35</b>
<b>(d) Investment Fluctuation Reserve</b>		
Opening balance	351,68,08	318,90,08
Additions during the year	-	32,78,00
	<b>351,68,08</b>	<b>351,68,08</b>
<b>(e) Amalgamation Reserve</b>		
Opening balance	50,62,91	50,62,91
Additions on Amalgamation	-	-
	<b>50,62,91</b>	<b>50,62,91</b>
<b>Total Revenue &amp; Other Reserve</b>	<b>1056,43,49</b>	<b>973,65,60</b>
<b>VI Balance in the Profit and Loss Account</b>	19252,30,56	16063,84,91
<b>TOTAL</b>	<b>47235,65,08</b>	<b>42721,87,29</b>
<b>SCHEDULE - 2A MINORITY INTEREST</b>		
Minority interest at the date on which the parent-subsidiary relationship came into existence	-	-
Subsequent increase/ decrease	-	-
Minority interest on the date of balance sheet	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

## Schedules (Contd.)

		As at 31.03.2022	₹ in '000s As at 31.03.2021
<b>SCHEDULE - 3 DEPOSITS</b>			
<b>A</b>	<b>I Demand Deposits</b>		
	i) From Banks	638,76,01	731,73,60
	ii) From Others	35868,30,79	34993,55,05
	<b>II Savings Bank Deposits</b>	88825,56,41	71065,44,78
	<b>III Term Deposits</b>		
	i) From Banks	9341,01,50	20800,06,20
	ii) From Others	158675,82,24	128279,30,79
	<b>TOTAL</b>	<b>293349,46,95</b>	<b>255870,10,42</b>
<b>B</b>	<b>Deposits of Branches</b>		
	I In India	291140,52,47	252037,15,81
	II Outside India	2208,94,48	3832,94,61
	<b>TOTAL</b>	<b>293349,46,95</b>	<b>255870,10,42</b>
<b>SCHEDULE - 4 BORROWINGS</b>			
<b>I</b>	<b>Borrowings in India</b>		
	i) Reserve Bank of India	-	-
	ii) Other banks	-	24,13,40
	iii) Other institutions and agencies	24650,22,00	34576,95,00
	iv) Borrowing in form of bonds and debentures (excluding subordinated Debt)	1500,00,00	2000,00,00
	v) Capital Instruments		
	a) Unsecured non-convertible perpetual non-cumulative bonds (Subordinated additional tier 1 capital)	2489,90,00	3489,90,00
	b) Unsecured non-convertible redeemable debentures/bonds (Subordinated debt tier 2 bond)	2800,00,00	-
<b>II</b>	<b>Borrowings outside India</b>	15883,10,31	11231,82,78
	<b>TOTAL</b>	<b>47323,22,31</b>	<b>51322,81,18</b>
	Secured borrowings, other than Market repo borrowings, including tri-party repo, and borrowings from RBI under Liquidity Adjustment Facility/ Marginal Standing Facility	-	-
<b>SCHEDULE - 5 OTHER LIABILITIES AND PROVISIONS</b>			
<b>I</b>	Bills payable	844,24,47	661,78,55
<b>II</b>	Inter-office adjustments (net)	-	204,09,80
<b>III</b>	Interest accrued	1311,01,90	1450,81,18
<b>IV</b>	Others	11113,03,51	9893,03,82
	<b>TOTAL</b>	<b>13268,29,88</b>	<b>12209,73,35</b>

**Schedules (Contd.)**

	<b>As at 31.03.2022</b>	₹ in '000s <b>As at 31.03.2021</b>
<b>SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA</b>		
<b>I Cash in hand (including foreign currency notes)</b>	1326,71,30	1435,00,73
<b>II Balances with Reserve Bank of India</b>		
i) In Current Account	14371,48,03	16522,38,68
ii) In Other Accounts	-	-
<b>TOTAL</b>	<b>15698,19,33</b>	<b>17957,39,41</b>
<b>SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE</b>		
<b>I In India</b>		
i) Balances with Banks		
a) In Current Accounts	481,00,85	552,83,83
b) In Other Deposit Accounts	44500,25,73	20104,47,02
ii) Money at Call and Short Notice		
a) With Banks	-	1900,00,00
b) With Other Institutions	-	9395,63,67
<b>TOTAL</b>	<b>44981,26,58</b>	<b>31952,94,52</b>
<b>II Outside India</b>		
i) In Current Accounts	3736,66,12	3226,82,46
ii) In Other Deposit Accounts	3221,18,12	-
iii) Money at Call and Short Notice	947,40,63	3472,72,50
<b>TOTAL</b>	<b>7905,24,87</b>	<b>6699,54,96</b>
<b>GRAND TOTAL</b>	<b>52886,51,45</b>	<b>38652,49,48</b>

## Schedules (Contd.)

	As at 31.03.2022	₹ in '000s As at 31.03.2021
<b>SCHEDULE - 8 INVESTMENTS</b>		
<b>I In India</b>		
i) Government Securities*	66683,97,74	64896,33,63
ii) Other approved securities	-	-
iii) Shares	846,62,78	831,22,45
iv) Debentures and Bonds	255,31,52	419,07,66
v) Subsidiaries and / or joint Ventures	-	-
vi) Others - Certificate of Deposits, Commercial Papers, Security Receipts, Pass Through Certificates, Units of schemes of Mutual Funds, Venture Capital Funds and Others	2875,99,45	3138,82,82
vii) Associate <sup>(1)</sup>	2,82,35	2,42,51
<b>II Outside India</b>		
i) Government securities	265,15,58	365,53,36
<b>TOTAL</b>	<b>70929,89,42</b>	<b>69653,42,43</b>
<b>III Investment in India</b>		
i) Gross value of investments	71735,46,91	70056,12,98
ii) Aggregate of provision for depreciation	1070,73,07	768,23,91
iii) Net investments (i-ii)	70664,73,84	69287,89,07
<b>IV Investment outside India</b>		
i) Gross value of investments	265,15,58	365,53,36
ii) Aggregate of provision for depreciation	-	-
iii) Net investments (i-ii)	265,15,58	365,53,36
* Includes securities of ₹ 2,779.03 crores (previous year ₹ 2,076.90 crores) pledged for clearing facility and margin requirements		
<b>(1) Investment in Associate</b>		
Investment at Cost	30	30
Add : Capital Reserve on the date of Acquisition	35	35
<b>Equity Investment in Associate</b>	<b>65</b>	<b>65</b>
Add : Post-acquisition profit / (loss) of Associate (Equity method)	2,81,70	2,41,86
Less : Share of Unrealised Profit in Associate	-	-
<b>TOTAL</b>	<b>2,82,35</b>	<b>2,42,51</b>
<b>SCHEDULE - 9 ADVANCES</b>		
<b>A</b>		
i) Bills Purchased and Discounted	10127,87,39	3474,04,95
ii) Cash Credits, Overdrafts and Loans Repayable on Demand	62999,84,76	49560,38,82
iii) Term Loans	165923,81,31	159560,97,08
<b>TOTAL</b>	<b>239051,53,46</b>	<b>212595,40,85</b>

**Schedules (Contd.)**

		As at 31.03.2022	₹ in '000s As at 31.03.2021
<b>B</b>	i) Secured by tangible assets (includes advances against book debts)	156340,14,47	157006,09,32
	ii) Covered by Bank/ Government Guarantees (including advances against L/Cs issued by Banks)	6374,78,35	5889,20,64
	iii) Unsecured	76336,60,64	49700,10,89
	<b>TOTAL</b>	<b>239051,53,46</b>	<b>212595,40,85</b>
<b>C</b>	I Advances in India		
	i) Priority Sector	90375,92,97	80358,25,90
	ii) Public Sector	8946,12,63	4089,44,74
	iii) Banks	251,92,45	-
	iv) Others	132238,55,00	121567,35,62
	<b>TOTAL ADVANCES IN INDIA</b>	<b>231812,53,05</b>	<b>206015,06,26</b>
	II Advances Outside India		
	i) Due from banks	265,16,84	185,93,70
	ii) Due from others	6973,83,57	6394,40,89
	(a) Bills purchased and discounted	1408,44,37	991,20,69
(b) Syndicated loans	-	-	
(c) Others	5565,39,20	5403,20,20	
<b>TOTAL ADVANCES OUTSIDE INDIA</b>	<b>7239,00,41</b>	<b>6580,34,59</b>	
<b>TOTAL</b>	<b>239051,53,46</b>	<b>212595,40,85</b>	
<b>SCHEDULE - 10 FIXED ASSETS</b>			
<b>I</b>	<b>Premises</b>		
	i) At cost as on 31st March of the preceding year	869,98,25	874,15,74
	ii) Additions during the year	-	-
	<b>869,98,25</b>	<b>874,15,74</b>	
	iii) Less : Deductions during the year	-	4,17,49
iv) Less : Depreciation to date [Refer Schedule 18(Note 2.3)]	131,27,51	117,92,57	
<b>TOTAL</b>	<b>738,70,74</b>	<b>752,05,68</b>	
<b>II</b>	<b>Other Fixed Assets (including furniture and fixtures)</b>		
	i) At cost as on 31st March of the preceding year	2908,47,13	2602,58,04
	ii) Additions during the year	395,00,36	344,79,23
	<b>3303,47,49</b>	<b>2947,37,27</b>	
	iii) Less : Deductions during the year	61,02,08	38,90,13
iv) Less : Depreciation to date [Refer Schedule 18(Note 2.3)]	2146,93,54	1860,01,33	
<b>TOTAL</b>	<b>1095,51,87</b>	<b>1048,45,81</b>	
<b>III</b>	<b>Capital Work in Progress (Net of provision)</b>	94,52,55	75,22,99
	<b>GRAND TOTAL</b>	<b>1928,75,16</b>	<b>1875,74,48</b>

## Schedules (Contd.)

	As at 31.03.2022	₹ in '000s As at 31.03.2021
<b>SCHEDULE - 11 OTHER ASSETS</b>		
I Interest accrued	2016,58,78	2013,61,25
II Tax paid in advance / tax deducted at source	1264,29,26	873,84,50
III Stationery and stamps	49,26	49,90
IV Non-banking assets acquired in satisfaction of claims	63,96,57	414,10,07
V Others [Refer Schedule 18(Note 9.5)]	18127,14,87	18866,77,67
<b>TOTAL</b>	<b>21472,48,74</b>	<b>22168,83,39</b>
<b>SCHEDULE - 12 CONTINGENT LIABILITIES</b>		
I Claims against the Bank not acknowledged as debts	733,37,97	482,35,63
II Liability on account of outstanding forward exchange contracts	411634,15,77	381550,05,58
III Liability on account of outstanding derivative contracts	427189,17,47	382279,24,19
IV Guarantees given on behalf of constituents		
- In India	61109,94,48	60033,47,72
- Outside India	308,09,65	843,94,00
V Acceptances, endorsements and other obligations	22714,03,91	24813,08,82
VI Other Items for which the bank is contingently liable	97,20,78	72,50,07
<b>TOTAL</b>	<b>923786,00,03</b>	<b>850074,66,01</b>
<b>SCHEDULE - 13 INTEREST EARNED</b>		
I Interest/ discount on advances/ bills	25143,43,83	24085,34,77
II Income on investments	4052,87,81	3846,10,76
III Interest on balances with Reserve Bank of India and other inter-bank funds	1288,36,19	677,36,84
IV Others	337,76,40	390,97,30
<b>TOTAL</b>	<b>30822,44,23</b>	<b>28999,79,67</b>
<b>SCHEDULE - 14 OTHER INCOME</b>		
I Commission, exchange and brokerage	4509,28,60	3478,14,50
II Profit on sale of investments (net)	593,15,87	1486,19,35
III Profit / (Loss) on sale of land, buildings and other assets (net)	(1,13,03)	1,37,87
IV Profit on exchange transactions / derivatives (net)	1730,84,39	1321,20,39
V Miscellaneous Income	575,47,20	213,95,87
<b>TOTAL</b>	<b>7407,63,03</b>	<b>6500,87,98</b>

**Schedules (Contd.)**

	Year ended on 31.03.2022	Year ended on 31.03.2021
<b>SCHEDULE - 15 INTEREST EXPENDED</b>		
I Interest on Deposits	12430,28,58	11459,07,59
II Interest on Reserve Bank of India / Inter-Bank Borrowings	243,24,40	523,23,33
III Others	3148,06,80	3489,59,42
<b>TOTAL</b>	<b>15821,59,78</b>	<b>15471,90,34</b>
<b>SCHEDULE - 16 OPERATING EXPENSES</b>		
I Payments to and provisions for employees	3473,54,14	3039,24,47
II Rent, taxes and lighting	566,41,48	478,92,34
III Printing and stationery	90,56,05	74,21,43
IV Advertisement and publicity	67,01,48	50,20,59
V Depreciation on bank's property	352,02,35	327,64,35
VI Director's fees, allowances and expenses	4,45,92	3,70,43
VII Auditor's fees and expenses	3,26,98	2,35,68
VIII Law charges	49,04,65	60,28,57
IX Postage, Telegrams, Telephones, etc.	162,98,37	139,05,13
X Repairs and maintenance	371,21,77	362,01,79
XI Insurance	428,79,41	322,64,98
XII Other expenditure [Refer Schedule 18(Note 10.3)]	3741,37,97	3296,52,80
<b>TOTAL</b>	<b>9310,70,57</b>	<b>8156,82,56</b>

## Schedule 17 Significant accounting policies

### Background

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

#### 1. Principles of Consolidation

- 1.1 The consolidated financial statements comprise the financial statements of IndusInd Bank Limited (the Bank), Bharat Financial Inclusion Limited (BFIL), a wholly owned subsidiary, and IndusInd Marketing and Financial Services Private Limited (IMFS), an Associate of the Bank (the 'Group').
- 1.2 The Bank consolidates its subsidiary in which it holds 100% control on a line by line basis by adding together like items of assets, liabilities, income and expenses in accordance with Accounting Standard 21 'Consolidated Financial Statement' specified under section 133 and relevant provision of the Companies Act 2013 (as amended). Intragroup balances and intragroup transactions if any, are eliminated in full.
- 1.3 The investment in Associate is consolidated using equity method in accordance with "Accounting Standard 23" Accounting for Investment in Associate in Consolidated Financial Statement specified under section 133 and relevant provision of the Companies Act 2013 (as amended). The difference between the cost of investment in the Associate and its share of net assets at the time of acquisition of shares in the Associate, is identified in the consolidated financial statements as goodwill or capital reserve, as the case may be.
- 1.4 The consolidated financial statements present the accounts of the Bank with its Subsidiary as under:

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

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

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

#### 2. Basis of preparation

- 2.1 The accompanying consolidated financial statements have been prepared and presented under the historical cost convention except where otherwise stated and in accordance with statutory requirements prescribed under the Banking Regulation Act 1949, circulars and guidelines issued by RBI from time to time (RBI guidelines), accounting standards referred to in Section 133 of the Companies Act, 2013 (the Act) read together with the Companies (Accounting Standards) Amendment Rules, 2006 (as amended from time to time) and other relevant provisions of the Act in so far as they apply to the Bank and practices prevailing within the banking industry in India.

#### 3. Use of Estimates

- 3.1 The preparation of the consolidated financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities (including contingent liabilities) at the date of the financial statements, revenues and expenses during the reporting period. Management believes that the estimates and assumptions used in the preparation of the consolidated financial statements are prudent and reasonable. Any revision to accounting estimates is recognised prospectively in current and future periods.

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

- 4.1 Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- 4.2 Monetary assets and liabilities of domestic and integral foreign operations denominated in foreign currency are translated at the Balance Sheet date at the closing rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resulting gains or losses are recognised in the Profit and Loss account.
- 4.3 Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and all non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

##### **IndusInd Bank Limited:**

- 4.4 Both monetary and non-monetary assets and liabilities of non-integral foreign operations are translated at the Balance Sheet date at the closing rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resulting gains or losses are accumulated in the foreign currency translation reserve until disposal of the net investment at which time they are recognised in Profit and Loss Account as gains or losses.
- 4.5 All foreign exchange forward contracts outstanding at the Balance Sheet date are re-valued on present value basis and the resulting gains or losses are recognised in the Profit and Loss account.
- 4.6 Swap Cost arising on account of foreign currency swap contracts to convert foreign currency funded liabilities and assets into rupee liabilities and assets is amortised to the Profit and Loss account under the head 'Interest – Others' over the life of swap contracts.
- 4.7 Income and expenditure of domestic and integral foreign operations denominated in a foreign currency is translated at the rates of exchange prevailing on the date of the transaction. Income and expenditure of non-integral foreign operations is translated at quarterly average closing rates.
- 4.8 Contingent liabilities at the Balance Sheet date on account of outstanding forward foreign exchange contracts, guarantees, acceptances, endorsements and other obligations denominated in a foreign currency are stated at the closing rates of exchange notified by the FEDAI.

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

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

#### **5. Investments**

##### **IndusInd Bank Limited:**

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

##### **5.1 Categorisation of Investments**

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

- (i) **Held to Maturity (HTM)** – Securities acquired with the intention to hold till maturity.
- (ii) **Held for Trading (HFT)** – Securities acquired with the intention to trade. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are transferred to AFS category.
- (iii) **Available for Sale (AFS)** – Securities which do not fall within the above two categories.

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

## 5.2 Classification of Investments

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

## 5.3 Acquisition cost

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

## 5.4 Valuation of Investments

- (i) **Held to Maturity** – Each security in this category is carried at its acquisition cost or amortised cost. Any premium on acquisition of the security is amortised over the balance period to maturity. The premium amortization is recognized in Profit and Loss Account under Interest earned – Income on investments (Item II of Schedule 13). The book value of the security is reduced to the extent of premium amortized. Diminution, other than temporary, is determined and provided for each investment individually.
- (ii) **Held for Trading** – Securities are valued scripwise and depreciation / appreciation is aggregated for each classification. The book value of the individual securities is not changed as a result of periodic valuations. Net appreciation in each classification is ignored, while net depreciation is provided for.
- (iii) **Available for Sale** – Securities are valued scrip-wise and depreciation / appreciation is aggregated for each classification. The book value of the individual securities is not changed as a result of periodic valuations. Net appreciation in each classification is ignored, while net depreciation is provided for.
- (iv) Market value of government securities (excluding treasury bills) is determined on the basis of the prices / YTM published by Financial Benchmark India Private Limited (FBIL).
- (v) Treasury bills, commercial papers and certificate of deposits are valued at carrying cost, which includes discount accreted over the period to maturity.
- (vi) Fair value of other debt securities is determined based on the yield curve published by FBIL and credit spreads provided by Fixed Income Money Market and Derivatives Association (FIMMDA).
- (vii) Quoted equity shares held under AFS and HFT categories are valued at the closing price on a recognised stock exchange, in accordance with the RBI guidelines. Unquoted equity shares are valued at their break-up value or at ₹ 1 per company where the latest Balance Sheet is not available continuously for more than 18 months as on the date of valuation.
- (viii) Units of the schemes of mutual funds are valued at latest Net Asset Value (NAV) provided by the respective schemes of mutual funds.
- (ix) Investments in equity shares held as long-term investments by erstwhile IndusInd Enterprises & Finance Limited and Ashok Leyland Finance Limited (since merged with the Bank) are valued at cost and classified under HTM category. Provision towards diminution in the value of such long-term investments is made only if the diminution in value is not temporary in the opinion of management.
- (x) Investment in subsidiaries and associate companies are classified as part of HTM category and valued at cost. Such investments are assessed for impairment and any other than temporary diminution in value is provided for.
- (xi) Security Receipts (SR) are valued at the lower of redemption value and NAV obtained from the Securitisation Company (SC) / Reconstruction Company (RC). In respect of significant investment in SRs backed by stressed assets sold by the Bank, the value is subject to a prudential floor considering the asset classification of the stressed assets, had they remained on the books of the Bank.

- (xii) Purchase and sale transaction in securities are recorded under Settlement Date method of accounting, except in the case of the equity shares where Trade Date method of accounting is followed.
- (xiii) Provision for non-performing investments is made in conformity with RBI guidelines.
- (xiv) Repurchase (Repo) and Reverse Repurchase (Reverse Repo) transactions (including transactions under Liquidity Adjustment Facility (LAF) with RBI) are accounted for as collateralised borrowing and lending respectively. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income.
- (xv) In respect of the short sale transactions in Central Government dated securities, the short position is covered by outright purchase of an equivalent amount of the same security within a maximum period of three months including the day of trade. The short position is reflected as the amount received on sale in a separate account and is classified under 'Investments'. The short position is categorized under the HFT portfolio and is accounted for accordingly.
- (xvi) Profit or loss in respect of sale of investments is included in the Schedule 14 under Profit on Sale of Investments(net). In respect of profit from sale of investments under HTM category, an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such profits) is appropriated from the Profit and Loss Appropriation account to Capital Reserve account.
- (xvii) In the event, provisions created on account of depreciation in the AFS or HFT categories are found to be in excess of the required amount in any year, the excess is credited to the Profit and Loss account and an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such excess provisions) is appropriated to an Investment Reserve Account (IRA).  
  
The balance in IRA account is used to meet provision on account of depreciation in AFS and HFT categories by transferring an equivalent amount to the Profit and Loss Appropriation account as and when required.
- (xviii) Out of net profits earned during the year, transfer is made to Investment Fluctuation Reserve, for an amount not less than the lower of the (a) net profit on sale of investments during the year or (b) net profit for the year less mandatory appropriations, till the balance in such Investment Fluctuation Reserve reaches a level of at least 2% of the aggregate HFT and AFS portfolio. Draw down, if any, from the Investment Fluctuation Reserve shall be in accordance with the applicable RBI guidelines.

- 5.5 Investments in unquoted units of Venture Capital Funds (VCF) and Alternative Investment Funds (AIF) are categorised under HTM category for initial period of three years and valued at cost as per RBI guidelines. Units of VCF and AIF held under AFS category, where current quotations are not available, are marked to market based on the Net Asset Value (NAV) shown by VCF or AIF as per the latest audited financials of the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹ 1 per VCF or AIF, as the case may be.
- 5.6 In accordance with RBI Circular on Transfer of Loans dated September 24, 2021, the SRs backed by its transferred loans and issued under that securitisation, the valuation of such SRs by the transferor will be additionally subject to a floor of face value of the SRs reduced by the provisioning rate as applicable to the underlying loans, had the loans continued in the books of the transferor.

## **6. Derivatives**

### **IndusInd Bank Limited:**

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

- 6.1 The hedging contracts comprise of Forward Rate Agreements, Interest Rate Swaps, and Currency Swaps undertaken to hedge interest rate and currency risk on certain assets and liabilities. The net interest receivable or payable is accounted on an accrual basis over the life of the swaps. However, where the hedge is designated with an asset or liability that is carried at market value or lower of cost and market value, then the hedging

instrument is also marked to market with the resulting gain or loss recorded as an adjustment to the market value of designated assets or liabilities. Gains or losses on the termination of hedge swaps is accounted in accordance with RBI guidelines.

- 6.2 The trading contracts comprise of trading in Forward Contracts, Interest Rate Swaps, Currency Swaps, Cross Currency Interest Rate Swaps, Forward Rate Agreements, Interest Rate Futures, FX Futures, Currency Futures, etc. The gain or loss arising on unwinding or termination of the contracts, is accounted for in the Profit and Loss account. Trading contracts outstanding as at the Balance Sheet date are re-valued at their fair value and resulting gains or losses are recognised in the Profit and Loss account.
- 6.3 Premium paid and received on currency options is accounted when due in the Profit and Loss Account.
- 6.4 Fair value of derivative is determined with reference to market quotes or by using valuation models. Where the fair value is calculated using valuation models, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to the present value. The valuation takes into consideration all relevant market factors (e.g. prices, interest rate, currency exchange rates, volatility, liquidity, etc.). Most market parameters are either directly observable or are implied from instrument prices. The model may perform numerical procedures in the pricing such as interpolation when input values do not directly correspond to the most actively traded market trade parameters.
- 6.5 Provisioning of overdue customer receivable on derivative contracts is made as per RBI guidelines.

## 7. Advances

### **IndusInd Bank Limited:**

- 7.1 Advances are classified as per RBI guidelines into standard, sub-standard, doubtful and loss assets after considering subsequent recoveries to date.
- 7.2 A general provision on standard assets is made in accordance with RBI guidelines for the funded outstanding on global portfolio basis. In respect of stressed advances which are not yet classified non-performing, contingent provisions are made prudentially. Provision made against standard assets is included in 'Other Liabilities and Provisions - Others'.
- 7.3 Unhedged Foreign Currency Exposures (UFCE) of Clients are subject to incremental provisions basis assessment of estimated risk in line with RBI guidelines. Provision made towards UFCE and consequent further capital held under Basel III Capital regulations are disclosed separately. The provision forms a part of provision on standard assets.
- 7.4 Specific provisions for non-performing advances and floating provisions are made in conformity with RBI guidelines. In addition, the Bank considers accelerated provisioning based on past experience, and other related factors including underlying securities.
- 7.5 For restructured/rescheduled assets, provision is made in accordance with the guidelines issued by RBI, which requires the diminution in the fair value of the assets to be computed as the fair value of loans before and after restructuring. The restructured accounts are classified in accordance with RBI guidelines.
- 7.6 Advances are disclosed in the Balance Sheet, net of specific provisions and interest suspended for non performing advances, and floating provisions.
- 7.7 Advances exclude derecognised securitised advances, inter-bank participation certificates issued and bills rediscounted.
- 7.8 Amounts recovered during the year against bad debts written off in earlier years are recognised in the Profit and Loss account. Provision no longer considered necessary in the context of the current status of the borrower as a performing asset, are written back to the Profit and Loss account to the extent such provisions were charged to the Profit and Loss account.

- 7.9 Further to the provisions held according to the asset classification status, provision is held in accordance with RBI guidelines for individual country exposures (other than for home country exposure), where the net funded exposure of a country is one percent or more of the total assets. Provision held for country risk is included under 'Other Liabilities and Provisions'.
- 7.10 The Bank makes floating provision as per the Board approved policy, which is in addition to the specific and general provisions made by the Bank. The floating provision is utilised, with the approval of Board and RBI, if required. The floating provision is netted-off from advances.

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

### **IndusInd Bank Limited:**

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

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

- 9.1 Fixed assets are stated at cost (except in the case of premises which were re-valued based on values determined by approved valuers) less accumulated depreciation and impairment, if any. Cost includes incidental expenditure incurred on the assets before they are ready for intended use.
- 9.2 The appreciation on account of revaluation is credited to Revaluation Reserve. In case of revalued/impaired assets, depreciation is provided over the remaining useful life of the assets with reference to revised asset values. In case of premises, which are carried at revalued amounts, the depreciation on the excess of revalued amount over historical cost is transferred from Revaluation Reserve to General Reserve annually.

Depreciation, including amortisation of intangible assets, is provided over the useful life of the assets, *pro rata* for the period of use, on a straight-line method. The useful life estimates prescribed in Part C of Schedule II to the Companies Act, 2013 are generally adhered to, except in respect of asset classes where, based on technical evaluation, a different estimate of useful life is considered suitable. Pursuant to this policy, the useful life estimates in respect of the following assets are as follows:

- (a) Computers at 3 years
- (b) Application software and perpetual software licences at 5 years
- (c) Printers, Scanners, Routers, Switch at 5 years
- (d) ATMs at 7 years
- (e) Network cabling, Electrical Installations, Furniture and Fixtures, Other Office Machinery at 10 years.
- (f) Vehicles at 5 years
- (g) Buildings at 60 years.

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

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

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

**IndusInd Bank Limited:**

**Non-banking assets:**

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

**10. Revenue Recognition**

**IndusInd Bank Limited:**

- 10.1 Interest and discount income on performing assets is recognised on accrual basis. Interest and discount income on non-performing assets is recognised on realisation.
- 10.2 Interest on Government securities, debentures and other fixed income securities is recognised on a period proportion basis. Income on discounted instruments is recognised over the tenor of the instrument on a Constant Yield to Maturity method.
- 10.3 Dividend income is accounted on accrual basis when the right to receive dividend is established.
- 10.4 Commission (except for commission on Deferred Payment Guarantees which is recognised over the term on a straight line basis), Exchange and Brokerage are recognised on a transaction date and net of directly attributable expenses.
- 10.5 Fees are recognised on an accrual basis when binding obligation to recognise the fees has arisen as per agreement, except in cases where the Bank is uncertain of realisation.
- 10.6 Income from distribution of third party products is recognised on the basis of business booked.
- 10.7 The Bank in accordance with RBI circular FIDD.CO.Plan.BC.5/04.09.01/2020-21 dated September 04, 2020, trades in priority sector portfolio by selling or buying PSLC. There is no transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income'.
- 10.8 Gain / loss on sell down of loans is recognised in line with the extant RBI guidelines.

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

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

## **11. Operating Leases**

11.1 Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental obligations in respect of assets taken on operating lease are charged to the Profit and Loss account on a straight-line basis over the lease term.

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

## **12. Employee Benefits**

### **IndusInd Bank Limited:**

12.1 The Gratuity scheme of the Bank is a defined benefit scheme and the expense for the year is recognized on the basis of actuarial valuation at the Balance Sheet date. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that gives rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Payment obligations under the Group Gratuity scheme are managed through purchase of appropriate policies from insurers.

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

Provident Fund contribution, under defined contribution plan, is made to the scheme administered by Regional Provident Fund Commissioner (RPFC) and is debited to the Profit and Loss Account, when an employee renders the related service. The Bank has no further obligations.

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

12.3 Provision for compensated absences is made on the basis of actuarial valuation as at the Balance Sheet date. The actuarial valuation is carried out using the Projected Unit Credit Method.

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

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

12.5 Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

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

### 13. Segment Reporting

#### IndusInd Bank Limited:

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

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

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

#### IndusInd Bank Limited:

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

### 15. Bullion

#### IndusInd Bank Limited:

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

**16. Income-tax**

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

**17. Earnings per share**

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

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

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

**19. Cash and Cash equivalents**

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

## 20. Corporate Social Responsibility

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

## 21. Grants

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

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

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

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

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

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

### 1. Capital

#### Capital Issue

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

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

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

### 2. Fixed Assets

**2.1** Cost of premises includes ₹ 4.09 crores (Previous year ₹ 4.09 crores) in respect of properties for which execution of documents and registration formalities are in progress. Of these properties, the Bank has not obtained full possession of one property having written down value of ₹ 1.37 crores (Previous year ₹ 1.40 crores) and has filed a suit for the same.

#### 2.2 Computer software

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

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

#### 2.3 Movement in depreciation of Fixed Assets

Depreciation	(₹ in crores)	
	2021-22	2020-21
<b>Premises</b>		
At the beginning of the year	117.93	104.58
Charge for the year	13.35	13.35
Deduction during the year	-	-
Depreciation to date	131.28	117.93

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

### 3. Contingent Liabilities

The Group's pending litigations include claims against the Bank by clients and counterparties and proceedings pending with tax authorities. The Bank has reviewed its pending litigations and proceedings and has adequately made, provisions wherever required and disclosed as contingent liabilities wherever applicable. Claims against the Bank not acknowledged as debts comprise of tax demands of ₹ 334.05 crores (Previous year ₹ 107.32 crores) in respect of which the Bank is in appeal, and legal cases sub judice of ₹ 399.34 crores (Previous year ₹ 375.04 crores). The Bank carries a provision of ₹ 7.41 crores (Previous year ₹ 4.86 crores) against legal cases sub judice. The amount of contingent liabilities is based on management's estimate, and it is not probable that any liability is expected to arise out of the same.

The Group has received demand order dated June 15, 2018 of ₹ 9.37 crores from Employees provident fund organization, Telangana. The Company filed Writ Petition before Hon'ble High court at Hyderabad against the said order and received interim stay against pre-deposit of ₹ 3.12 crores. The Company paid the same and have made provision in the books.

Contingent Liabilities not provided for on account of Provident Fund was ₹ 6.25 crores (Net of provision of ₹ 3.12 crores) (Previous year – ₹ 6.25 crores, net of provision of ₹ 3.12 crores).

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

### 5. Corporate Social Responsibility (CSR)

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

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

	Year ended March 31, 2022			Year ended March 31, 2021		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of any asset	-	-	-	-	-	-
On purpose other than above	108.69	1.69	110.38	94.72	26.51	121.23
<b>Total</b>	<b>108.69</b>	<b>1.69</b>	<b>110.38</b>	<b>94.72</b>	<b>26.51</b>	<b>121.23</b>

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

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

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

<b>In case of Section 135(5) unspent amount</b>					
<b>Financial Year</b>	<b>Opening Balance</b>	<b>Amount deposited in Specified Fund of Schedule VII within 6 months</b>	<b>Amount required to be spent during the year</b>	<b>Amount spent during the year</b>	<b>Closing Balance</b>
FY 2021-22	₹ 26.51 crores	₹ 26.51 crores	₹ 26.51 crores	₹ 23.12 crores	₹ 3.39 crores

## **6. Drawdown from Reserves**

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

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

## **8. Employee Stock Option Scheme**

- 8.1** On September 25, 2020, the shareholders of the Bank approved the IndusInd Bank Employee Stock Option Scheme 2020 (ESOS 2020), which comprehensively replaced the erstwhile Employee Stock Option Scheme 2007 (ESOS 2007) that was approved by the shareholders earlier on September 18, 2007. ESOS 2020 enables the Board and the Compensation Committee to grant such number of stock options of the Bank not exceeding 7% of the aggregate number of paid up equity shares of the Bank, in line with the guidelines issued by the SEBI. The options vest at one time or at various points of time as stipulated in the Award Confirmation issued by the Compensation Committee, and there shall be a minimum period of one year between the grant of option and vesting of the option. The unvested options shall expire by such period as stipulated in the Award Confirmation or five years from the grant of options whichever is earlier, or such further or other period as the Compensation Committee may determine. The exercise price for each grant is decided by the Compensation Committee, which is normally based on the latest available closing price and shall not be lower than the face value of the shares. Upon vesting, the options have to be exercised within a maximum period of five years or such period as may be determined by the Compensation Committee from time to time. The stock options are equity settled where the employees will receive one equity share per stock option.

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

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

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

**ESOS 2020:**

Sr. No.	Date of grant	2021-2022		2020-2021	
		No. of options	Range of exercise price (₹)	No. of options	Range of exercise price (₹)
1	18-Jul-08	1,21,65,000	48.00 - 50.60	1,21,65,000	48.00 - 50.60
2	17-Dec-08	34,56,000	38.95	34,56,000	38.95
3	05-May-09	8,15,500	44.00	8,15,500	44.00
4	31-Aug-09	3,18,500	100.05	3,18,500	100.05
5	28-Jan-10	7,47,000	48.00 - 140.15	7,47,000	48.00 - 140.15
6	28-Jun-10	13,57,450	196.50	13,57,450	196.50
7	14-Sep-10	73,500	236.20	73,500	236.20
8	26-Oct-10	1,43,500	274.80	1,43,500	274.80
9	17-Jan-11	25,00,000	228.70	25,00,000	228.70
10	07-Feb-11	20,49,000	95.45 - 220.45	20,49,000	95.45 - 220.45
11	24-Jun-11	21,54,750	253.60	21,54,750	253.60
12	16-Aug-11	89,500	254.90	89,500	254.90
13	30-Sep-11	2,61,000	262.25	2,61,000	262.25
14	21-Dec-11	9,20,000	231.95	9,20,000	231.95
15	29-Feb-12	1,95,000	304.05	1,95,000	304.05
16	19-Apr-12	1,40,500	345.60	1,40,500	345.60
17	25-May-12	1,34,500	304.55	1,34,500	304.55
18	10-Jul-12	2,67,000	343.25	2,67,000	343.25
19	29-Aug-12	1,14,000	319.05	1,14,000	319.05
20	10-Oct-12	23,500	365.75	23,500	365.75
21	09-Jan-13	30,000	433.75	30,000	433.75
22	18-Apr-13	12,500	419.60	12,500	419.60
23	20-Jun-13	1,75,000	478.45	1,75,000	478.45
24	18-Jul-13	18,35,000	453.90	18,35,000	453.90
25	23-Sep-13	75,000	411.50	75,000	411.50
26	29-Oct-13	22,000	412.25	22,000	412.25
27	29-Jan-14	7,67,500	300.00 - 389.85	7,67,500	300.00 - 389.85
28	25-Mar-14	1,76,500	490.30	1,76,500	490.30
29	15-May-14	65,500	537.05	65,500	537.05
30	02-Jun-14	32,69,500	533.95	32,69,500	533.95
31	09-Jul-14	33,000	551.10	33,000	551.10
32	13-Oct-14	74,500	623.25	74,500	623.25
33	17-Jan-15	47,500	831.85	47,500	831.85
34	23-Feb-15	48,000	876.80	48,000	876.80
35	30-Mar-15	11,000	880.75	11,000	880.75

Sr. No.	Date of grant	2021-2022		2020-2021	
		No. of options	Range of exercise price (₹)	No. of options	Range of exercise price (₹)
36	22-May-15	52,600	848.20	52,600	848.20
37	24-Jul-15	16,30,000	949.80	16,30,000	949.80
38	21-Sep-15	1,93,000	918.65	1,93,000	918.65
39	04-Nov-15	93,500	911.85	93,500	911.85
40	12-Jan-16	10,33,500	886.75 – 936.75	10,33,500	886.75 – 936.75
41	12-May-16	13,500	1,053.75	13,500	1,053.75
42	11-Jul-16	25,000	1,126.70	25,000	1,126.70
43	23-Aug-16	2,76,000	1,186.75	2,76,000	1,186.75
44	10-Oct-16	18,51,000	1,220.85	18,51,000	1,220.85
45	16-Nov-16	33,500	1,093.10	33,500	1,093.10
46	27-Jan-17	21,500	1,265.40	21,500	1,265.40
47	24-Mar-17	49,000	1,383.90	49,000	1,383.90
48	19-Apr-17	16,000	1,431.75	16,000	1,431.75
49	09-May-17	69,000	1,424.85	69,000	1,424.85
50	19-Jun-17	38,500	1,498.90	38,500	1,498.90
51	11-Jul-17	35,000	1,560.35	35,000	1,560.35
52	12-Oct-17	69,000	1,717.25	69,000	1,717.25
53	11-Jan-18	43,000	1,734.10	43,000	1,734.10
54	27-Mar-18	15,23,000	1,759.75	15,23,000	1,759.75
55	08-May-18	64,000	1,889.80	64,000	1,889.80
56	28-Sep-18	1,09,000	1,682.00	1,09,000	1,682.00
57	20-Mar-19	85,000	1,725.20	85,000	1,725.20
58	22-May-19	10,44,500	1,447.75	10,44,500	1,447.75
59	10-Oct-19	1,00,536	1,308.65	1,00,536	1,308.65
60	14-Jan-20	3,40,000	1,539.65	3,40,000	1,539.65
61	24-Apr-20	44,000	409.95	44,000	409.95
62	19-May-20	5,18,000	376.75	5,18,000	376.75
63	07-Aug-20	6,80,000	494.90	6,80,000	494.90
64	14-Aug-20	10,07,000	518.75	10,07,000	518.75
65	30-Dec-20	1,02,500	912.90	1,02,500	912.90
66	12-May-21	90,000	948.85	-	-
67	15-Sep-21	5,14,291	1,036.60	-	-
68	18-Oct-21	1,76,500	1,210.00	-	-
69	07-Jan-22	70,000	921.70	-	-
70	21-Feb-22	35,500	955.35	-	-
71	24-Mar-22	23,500	931.35	-	-

**ESOS 2018:**

Sr. No.	Date of grant	2021-22		2020-21	
		No. of options	Range of exercise price (₹)	No. of options	Range of exercise price (₹)
1.	04-Jul-19	30,01,266	688.00 – 1,864.00	30,01,266	688.00 – 1,864.00
2.	12-Jul-19	22,86,540	1,541.25	22,86,540	1,541.25

**8.2 Recognition of expense**

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

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

**8.3 Stock option activity**

Stock option activity under ESOS 2020 is set out below

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

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

Stock option activity under ESOS 2018 is set out below

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

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

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

**ESOS 2020:**

Date of grant	2021-22			2020-21		
	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)
21-Dec-11	-	-	-	-	-	-
19-Apr-12	-	-	-	-	-	-
25-May-12	-	-	-	-	-	-
10-Jul-12	-	-	-	-	-	-
20-Jun-13	-	-	-	-	-	-
18-Jul-13	453.90	-	-	453.9	41,725	0.3
29-Oct-13	-	-	-	-	-	-
29-Jan-14	389.85	-	-	389.85	1360	0.83
29-Jan-14	-	-	-	-	-	-
25-Mar-14	490.30	17,000	-	490.3	59,000	0.71
15-May-14	537.05	1,360	0.12	537.05	2,680	0.63
02-Jun-14	533.95	3,21,700	0.17	533.95	6,76,675	0.78
09-Jul-14	-	-	-	-	-	-
13-Oct-14	623.25	6,040	0.54	623.25	11,965	1.24
17-Jan-15	831.85	12,580	0.80	831.85	24,790	1.31
30-Mar-15	880.75	2,680	0.01	880.75	2,680	1.5
22-May-15	848.20	3,350	0.65	848.2	5,000	1.15
24-Jul-15	949.80	3,98,760	0.86	949.8	6,16,270	1.42

Date of grant	2021-22			2020-21		
	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)
21-Sep-15	918.65	5,360	0.98	918.65	11,000	1.49
04-Nov-15	911.85	7,690	1.30	911.85	9,690	1.95
12-Jan-16	886.75	6,70,000	1.29	886.75	10,00,000	1.8
12-May-16	1,053.75	2,720	2.12	1,053.75	3,275	3.1
11-Jul-16	1,126.70	11,500	0.92	1,126.70	11,500	2.38
23-Aug-16	1,186.75	1,89,500	1.73	1,186.75	1,89,500	2.73
10-Oct-16	1,220.85	17,33,000	1.61	1,220.85	17,33,000	2.61
16-Nov-16	1,093.10	4,440	2.12	1,093.10	4,440	3.12
27-Jan-17	1,265.40	12,550	2.04	1,265.40	12,550	3.04
24-Mar-17	1,383.90	44,330	2.04	1,383.90	44,330	3.04
19-Apr-17	1,431.75	12,010	2.15	1,431.75	12,010	3.15
09-May-17	1,424.85	69,000	2.12	1,424.85	69,000	3.12
19-Jun-17	1,498.90	32,750	2.38	1,498.90	32,750	3.38
11-Jul-17	1,560.35	15,000	2.29	1,560.35	35,000	3.29
12-Oct-17	1,717.25	65,000	2.55	1,717.25	65,000	3.55
11-Jan-18	1,734.10	35,000	2.80	1,734.10	41,000	3.8
27-Mar-18	1,759.75	11,33,070	2.91	1,759.75	12,13,100	3.96
08-May-18	1,889.80	42,500	3.12	1,889.80	42,500	4.12
28-Sep-18	1,682.00	66,000	3.51	1,682.00	90,610	4.23
20-Mar-19	1,725.20	55,000	3.98	1,725.20	67,000	4.98
22-May-19	1,447.75	8,70,120	4.06	1,447.75	9,28,245	5.11
10-Oct-19	1,308.65	86,702	4.54	1,308.65	97,967	5.45
14-Jan-20	1,539.65	20,000	4.80	1,539.65	20,000	5.8
24-Apr-20	409.95	11,910	5.17	409.95	24,000	6.09
19-May-20	376.75	2,86,460	5.54	376.75	4,53,000	6.15
07-Aug-20	494.90	5,00,065	5.52	494.9	6,60,000	6.37
14-Aug-20	518.75	9,45,300	5.45	518.75	10,07,000	6.39
30-Dec-20	912.90	82,500	5.76	912.9	1,02,500	6.76
12-May-21	948.85	72,000	6.12	-	-	-
15-Sep-21	1036.60	4,86,791	6.47	-	-	-
18-Oct-21	1210.00	1,76,500	6.57	-	-	-
07-Jan-22	921.70	70,000	6.79	-	-	-
21-Feb-22	955.35	35,500	6.91	-	-	-
24-Mar-22	931.35	23,500	7.00	-	-	-

**ESOS 2018:**

Date of grant	2021-22			2020-21		
	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)
04-Jul-19	668.00-1,864.00	21,66,367	2.21	668.00-1,864.00	26,33,990	3.29
12-Jul-19	1,541.25	17,67,964	4.71	1,541.25	20,28,033	5.78

**8.4 Fair value methodology**

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

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

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

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

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

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

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

## 9. Disclosures – Accounting Standards

### 9.1 Employee Benefits (AS-15)

#### Gratuity:

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

(₹ in crores)

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

	March 31, 2022	March 31, 2021
<b>Bharat Financial Inclusion Ltd:</b>		
1. Discount Rate	6.70%	6.26%
2. Expected Rate of Return on Plan Assets	6.70%	6.26%
3. Expected Rate of Salary Increase	12.50% for the first two years and 7.50% there after	12.5% for the first two years and 7.50% there after
4. Employee Attrition Rate	15%	15%

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

### Experience Adjustment

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

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

### Compensated Absence

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

	(₹ in crores)	
	March 31, 2022	March 31, 2021
Total actuarial liability	119.29	98.58
Total expense included in Schedule 16(I)	36.86	26.41
<b>Assumptions:</b>		
<b>IndusInd Bank Ltd:</b>		
Discount Rate	7.30%	6.77%
Salary escalation rate	5.00%	5.00%
<b>Bharat Financial Inclusion Ltd:</b>		
Discount Rate	6.70%	6.26%
Salary escalation rate	12.50% for the first two years and 7.50% there after	12.5% for the first two years and 7.50% there after

### Provident Fund

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

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

### National Pension Scheme (NPS)

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

#### 9.1 Segment Reporting (AS 17)

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

#### Business Segments

(₹ in crores)										
Business Segment	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operation		Total	
	31/03/22	31/03/21	31/03/22	31/03/21	31/03/22	31/03/21	31/03/22	31/03/21	31/03/22	31/03/21
Particulars	6,993.51	6,662.09	9,100.87	8,729.89	24,018.64	20,287.73	115.46	174.24	40,228.48	35,853.95
Revenue										
Inter Segment Revenue									(1,998.41)	(353.27)
Total Income									38,230.07	35,500.68
Result	1,391.26	1,958.90	3,259.56	2,990.79	8,755.44	7,189.17	43.52	60.74	13,449.78	12,199.60
Unallocated Expenses									(352.02)	(327.65)
Operating Profit									13,097.76	11,871.95

(₹ in crores)

Business Segment	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Operation	Total					
Provisions and Contingencies (other than tax)					(6,664.95) (7,942.53)					
Tax Expenses					(1,628.18) (999.54)					
Extraordinary profit/ loss					- -					
Net Profit before share of Associate					4,804.63 2,929.88					
Add: Share of Profit in Associate					0.40 0.22					
Net Profit					4,805.03 2,930.10					
Other Information:										
Segment Assets	1,02,232.54	98,659.55	120,462.83	1,06,024.25	166,062.39	1,44,140.43	-	-	3,88,757.76	3,48,824.23
Unallocated Assets									13,209.62	14,079.07
Total Assets									4,01,967.38	3,62,903.30
Segment Liabilities	48,053.93	52,074.78	99,645.75	100,017.70	1,95,123.80	1,57,547.29	-	-	3,42,823.48	3,09,639.77
Unallocated Liabilities									11,117.52	9,762.88
Capital and Other Reserves									48,026.38	43,500.65
Total Liabilities									4,01,967.38	3,62,903.30

## Note:

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

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

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

## 9.2 Related party transactions (AS-18)

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

### a) Name of Related Party with whom the Bank has transaction during the year:

#### Key Management Personnel (KMP)

Mr. Sumant Kathpalia, Managing Director

#### Relatives of KMP

Mrs. Ira Kathpalia, Mr. Karan Kathpalia

#### Associates

IndusInd Marketing and Financial Services Private Limited

**Subsidiaries**

Bharat Financial Inclusion Limited (formerly IndusInd Financial Inclusion Limited)

**b) Transactions during the year:**

(₹ in crores)

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

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

Figures in parenthesis represent maximum balance outstanding during the year.

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

**a) Name of Related Party with whom Bank has transactions during the year****Key Management Personnel (KMP)**

Mr. Sumant Kathpalia, Managing Director

**Relatives of KMP**

Mrs. Ira Kathpalia, Mr. Karan Kathpalia

**Associates**

IndusInd Marketing and Financial Services Private Limited

**Subsidiaries**

Bharat Financial Inclusion Limited (formerly IndusInd Financial Inclusion Limited)

**b) Transactions during the year**

(₹ in crores)

Particulars	Parent (as per ownership control)*	Subsidiaries*	Associates/ Joint Venture*	Key Management Personnel*	Relatives of Key Management Personnel*	Total
Borrowings	-	-	-	-	-	-
Deposits	-	-	-	-	10.61 (11.81)	10.61 (11.81)
Placement of deposits	-	-	-	-	-	-
Advances	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Non-funded commitments	-	-	-	-	-	-
Leasing/HP arrangements availed	-	-	-	-	-	-
Leasing/HP arrangements provided	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Interest paid	-	-	-	-	0.73	0.73
Interest received	-	-	-	-	-	-
Rendering of services	-	-	-	-	-	-
Receiving of services	-	-	-	-	-	-
Management contracts	-	-	-	-	-	-

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

Figures in parenthesis represent maximum balance outstanding during the year.

**9.3 Operating Leases (AS 19)**

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

(₹ in crores)

	March 31, 2022	March 31, 2021
Future lease rentals payable as at the end of the year:		
- Not later than one year	390.33	337.87
- Later than one year but not later than five years	1,048.31	1,057.02
- Later than five years	379.26	402.48
Total of minimum lease payments recognized in the Profit and Loss Account for the year	426.92	374.66
Total of future minimum sub-lease payments expected to be received under non-cancellable sub-lease	-	-
Sub-lease payments recognized in the Profit and Loss account for the year	-	-

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

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

#### 9.4 Earnings per share (AS 20)

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

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

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

#### 9.5 Deferred Tax (AS 22)

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

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

**Provision for taxation during the year**

(₹ in crores)

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

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

(₹ in crores)

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

**10.2 Proposed Dividend:**

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

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

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

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

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

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

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

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

\* Net assets are total assets minus total liabilities

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

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

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

(₹ in crores)

Details of dues to Micro and Small Enterprises as per MSMED Act, 2006		As at 31st March, 2022	As at 31st March, 2021
a)	Principal amount due to suppliers under MSMED Act, 2006	041	-
b)	Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
c)	Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
d)	Interest paid to suppliers under MSMED Act (Section 16)	-	-
e)	Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
f)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	-	-

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

- 14.** Additional statutory information disclosed in the separate financial statements of the Bank and Subsidiary having no material bearing on the true and fair view of the consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statement.
- 15.** Previous year's figures have been regrouped / reclassified wherever necessary.

As per our report of even date.

**For Haribhakti & Co. LLP**

*Chartered Accountants*

Firm Registration No: 103523W/W100048

**per Purushottam Nyati**

*Partner*

Membership No: 118970

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

*Chartered Accountants*

Firm Registration No: 101851W

**per Anagha Thatte**

*Partner*

Membership No: 105525

Place : Mumbai

Date : April 29, 2022

**For INDUSIND BANK LIMITED**

**Arun Tiwari**

*Chairman*

DIN: 05345547

**Sanjay Asher**

*Director*

DIN: 00008221

**Gobind Jain**

*Chief Financial Officer*

**Sumant Kathpalia**

*Managing Director*

DIN: 01054434

**Bhavna Doshi**

*Director*

DIN: 00400508

**Girish Koliyote**

*Company Secretary*

## Statement pursuant to Section 129 of the Companies Act, 2013

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

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

#### Part "A": Subsidiaries

Sr. No.	Particulars	Bharat Financial Inclusion Ltd. ("BFIL")
		(Amount in crores)
1	The date since when subsidiary was acquired	July 4, 2019
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period of the subsidiary is the same as that of the holding company i.e. April 1, 2021 to March 31, 2022
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not applicable as this is a domestic subsidiary
4	Share Capital	43.70
5	Reserves & surplus	326.34
6	Total Assets	975.35
7	Total Liabilities	975.35
8	Investments	Nil
9	Turnover (Total Income)	1,637.21
10	Profit before taxation	259.17
11	Provision for taxation	65.65
12	Profit after taxation	193.52
13	Dividend	Nil
14	% of Shareholding	100

#### Notes :

- Name of the Subsidiaries which are yet to commence operation : Nil
- Name of the Subsidiaries which have been liquidated or sold during the year : Nil

## Part "B": Associates and Joint Ventures

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

Sr. No.	Name of Associate Companies / Joint Ventures	IndusInd Marketing and Financial Services Pvt. Ltd. (IMFS)
1	Latest Audited Balance Sheet	March 31, 2022
2	Date on which the Associate was associated or acquired	June 11, 2004
3	Shares of Associate Company held by the Company at the year-end:	
	No. of Shares	3,000
	Amount of Investment in Associate (₹)	30,000
	Extend of Holding	30%
4	Description of how there is significant influence	Extent of equity holding in the Associate Company exceeds 20%
5	Reason why the Associate is not consolidated	Not Applicable
6	Net worth attributable to the Bank's shareholding ( ₹ in crores)	2.82
7	Profit / (Loss) for the year:	
	i. Considered in Consolidated Financial Statements ( ₹ in crores)	0.40
	ii. Not considered in Consolidated Financial Statements	Not Applicable

### Notes :

- Name of Associate or Joint Ventures which are yet to commence operations : Nil
- Name of the Associate or Joint Ventures which have been liquidated or sold during the year : Nil

For and on behalf of Board of Directors

**Arun Tiwari**  
Chairman  
DIN: 05345547

**Sumant Kathpalia**  
Managing Director  
DIN: 01054434

**Sanjay Asher**  
Director  
DIN: 00008221

**Bhavna Doshi**  
Director  
DIN: 00400508

Place : Mumbai  
Date : April 29, 2022

**Gobind Jain**  
Chief Financial Officer

**Girish Koliyote**  
Company Secretary

## Disclosures Under Basel III Capital Regulations – March 31, 2022

In line with the RBI Master Circulars: (a) DBR.No.BP.BC.1/21.06.201/2015-16 on “**Master Circular – Basel III Capital Regulations**” issued on July 1, 2015; (b) DBOD.BP.BC.No.120/21.04.098/2013-14 dated June 9, 2014 on “**Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Monitoring Tools and LCR Disclosure Standards**”; and (c) DBR. BP.BC.No.106/21.04.098/2017-18 dated May 17, 2018 on “**Standards – Net Stable Funding Ratio (NSFR) – Final Guidelines**”, the Bank has made comprehensive Disclosures under: (i) **Pillar III including Leverage Ratio**; (ii) **Liquidity Coverage Ratio (LCR)**, and (iii) **Net Stable Funding Ratio (NSFR)**, as per Basel III Standards.

These Disclosures can be accessed on the homepage of the Bank’s website under “**Regulatory Disclosures Section**” at the links below:

<https://www.indusind.com/content/dam/regulatoryDisclosure/regulatoryDisclosure/FY-2021-2022/Basel-III-Disclosure-Mar2022.pdf>

<https://www.indusind.com/content/dam/regulatoryDisclosure/regulatoryDisclosure/FY-2021-2022/q4-BASEL-III-DISCLOSURE-LCR-Mar22.pdf>

<https://www.indusind.com/content/dam/regulatoryDisclosure/regulatoryDisclosure/FY-2021-2022/q4-BASEL-III-DISCLOSURE-NSFR-Mar22.pdf>

## US DOLLAR DENOMINATED Standalone Balance Sheet as at March 31, 2022

1 USD = ₹ 75.79	(Millions of US\$)	
	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>CAPITAL AND LIABILITIES</b>		
Capital	102.21	102.04
Employee Stock Option Outstanding	2.12	0.71
Reserves and Surplus	6,189.01	5,619.03
Deposits	38,749.35	33,804.59
Borrowings	6,243.99	6,771.71
Other Liabilities & Provisions	1,751.26	1,593.82
<b>TOTAL</b>	<b>53,037.94</b>	<b>47,891.90</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India	2,063.75	2,357.92
Balances with Banks and Money at Call and Short Notice	6,944.63	5,074.09
Investments	9,364.13	9,195.76
Advances	31,541.30	28,050.59
Fixed Assets	243.92	238.74
Other Assets	2,880.21	2,974.80
<b>TOTAL</b>	<b>53,037.94</b>	<b>47,891.90</b>
Contingent Liabilities	1,21,886.76	1,12,161.03
Bills for Collection	3,912.69	3,114.10

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

1 USD = ₹ 75.79	(Millions of US\$)	
	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
<b>I INCOME</b>		
Interest earned	4,066.82	3,826.33
Other Income	975.99	865.37
<b>TOTAL</b>	<b>5,042.81</b>	<b>4,691.70</b>
<b>II EXPENDITURE</b>		
Interest expended	2,087.56	2,041.42
Operating expenses	1,261.29	1,103.03
Provisions & contingencies	1,085.56	1,173.01
<b>TOTAL</b>	<b>4,434.41</b>	<b>4,317.46</b>
<b>III PROFIT</b>		
Profit brought forward	608.40	374.24
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>	<b>2,710.08</b>	<b>2,153.32</b>
<b>IV APPROPRIATIONS</b>		
a) Transfer to Statutory Reserves	152.10	93.56
b) Transfer to Capital Reserves	10.13	17.15
c) Transfer to Investment Fluctuation Reserve Account	-	4.32
d) Dividend paid	51.06	-
e) Deductions (Net) during the year	-	-63.39
	213.29	51.64
Balance carried over to the Balance Sheet	2,496.79	2,101.68
<b>TOTAL</b>	<b>2,710.08</b>	<b>2,153.32</b>

## Bank's Branches

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

<https://www.indusind.com/in/en/personal/locate-us.html>

## NOTICE

### INDUSIND BANK LIMITED

CIN: L65191PN1994PLC076333

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

**Tel:** (020) 2623 4000

**Secretarial & Investor Services Cell:** 701, Solitaire Corporate Park, Building No. 7, Ground Floor,  
167, Guru Hargovindji Marg, Andheri (East), Mumbai – 400 093.

**Tel:** (022) 6641 2487 / 2359

**E-mail:** [investor@indusind.com](mailto:investor@indusind.com), **Website:** [www.indusind.com](http://www.indusind.com)

**NOTICE is hereby given that the 28<sup>th</sup> (Twenty-Eighth) Annual General Meeting ('AGM') of the Members of IndusInd Bank Limited (the 'Bank') will be held through Video Conference / Other Audio Visual Means ('VC / OAVM') at 11:30 a.m. (IST) on Friday, August 19, 2022, to transact the following business:**

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended March 31, 2022, together with the Reports of the Board of Directors' and Auditors' thereon.
2. To declare Dividend at the rate of ₹ 8.50 per Equity Share of ₹ 10 each of the Bank, fully paid, for the Financial Year ended March 31, 2022.
3. To appoint a Director in place of Mr. Sumant Kathpalia (DIN: 01054434), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s. MSKA & Associates (Firm Registration Number 105047W) as one of the Joint Statutory Auditors of the Bank, and in that connection to consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other relevant provisions, if any, of the Companies Act, 2013, as amended from time to time ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014 and other relevant rules made thereunder, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the applicable provisions of the Banking Regulation Act, 1949 and the rules, regulations, circulars, directions and guidelines issued by the Reserve Bank of India ('RBI') (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), and in terms of the approval granted by the RBI, M/s. MSKA & Associates (Firm Registration Number 105047W), who have confirmed their eligibility to be appointed as one of the Joint Statutory Auditors of the Bank, in terms of the relevant provisions of Section 141 of the Act, the said Rules and the aforementioned norms, be and is hereby appointed as one of the Joint Statutory Auditor of the Bank, for a period of 3 (Three) years, and to hold office as such from the conclusion of the Twenty-Eighth Annual General Meeting of the Bank until the conclusion of the Thirty-First Annual General Meeting of the Bank, subject to the approval of the RBI to be obtained by the Bank, on an annual basis from the conclusion of the Twenty-Ninth Annual General Meeting of the Bank;

**RESOLVED FURTHER THAT** pursuant to the relevant provisions of Section 142 and other applicable provisions of the Act, the said Rules and the aforementioned norms, M/s MSKA & Associates, Chartered Accountants, (Firm Registration Number 105047W), be appointed as the Joint Statutory Auditor of the Bank on such terms and conditions and at a remuneration of ₹ 2,70,00,000 per annum (Rupees Two crores Seventy lakhs only) for FY 2022-23 to be allocated by the Bank between M/s. M P Chitale & Co. (Firm Registration Number 101851W) the other Joint Statutory Auditor of the Bank and M/s. MSKA & Associates (Firm Registration Number 105047W), as may be mutually agreed upon between the Bank and the said Joint Statutory Auditors, depending upon their respective scope of work, and reimbursement of out of pocket expenses, outlays and taxes as applicable, that may be incurred by them, in connection with the conduct of statutory audit of the Bank and all its branches, issuing the Report on the Financial Statements of the Bank including on internal financial controls, issuing such other certification as may be required by the RBI and issuing such other reports/ certifications as may be required under the relevant provisions of the Act, the said Rules and the aforementioned norms, as amended, from time to time;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board of Directors, including the Audit Committee of the Board or any other person(s) authorised by the Board or the Audit Committee in this regard, be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in regard to implementation of the Resolution including but not limited to determination of roles, responsibilities and scope of work of the respective Joint Statutory Auditor(s), negotiating, finalising, amending, signing, delivering, executing, the terms of appointment including any contracts or documents in this regard.”

**SPECIAL BUSINESS:**

**5. To re-appoint Mrs. Akila Krishnakumar (DIN: 06629992) as the Non-Executive Independent Director.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 read with Schedule IV and other applicable provisions of the Companies Act, 2013 as amended from time to time (‘the Act’) and other relevant rules made thereunder, the relevant provisions of Regulations 16(1)(b), 17 and other applicable regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’), the relevant provisions of Sections 10A, 16, 20 and other applicable provisions of the Banking Regulation Act, 1949 and the rules, regulations, circulars, directions and guidelines issued by the Reserve Bank of India (‘RBI’), in this regard (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Bank, and pursuant to the recommendation of the Compensation and Nomination & Remuneration Committee of Directors of the Bank and the approval of the Board of Directors of the Bank, Mrs. Akila Krishnakumar (DIN: 06629992) be and is hereby re-appointed as the ‘Non-Executive Independent Director’ of the Bank for her second term of four consecutive years, from August 10, 2022 up to August 9, 2026 (both days inclusive), on such terms and conditions, including remuneration, as may be agreed upon between Mrs. Akila Krishnakumar and the Bank AND THAT during the said tenure Mrs. Akila Krishnakumar shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Managing Director & CEO, Deputy CEO, Chief Operating Officer, Chief Human Resources Officer or the Deputy Company Secretary of the Bank be and are hereby severally authorized on behalf of the Bank to execute all such agreements, documents, instruments and writings as may be deemed necessary or desirable for such purpose, file requisite forms or applications with the concerned Statutory/Regulatory Authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard, and do all such acts, deeds, matters and things as may be considered necessary and appropriate, to give effect to the said Resolution.”

**6. To appoint Mr. Pradeep Udhas (DIN : 02207112) as the Non-Executive Independent Director of the Bank.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 read with Schedule IV and other applicable provisions of the Companies Act, 2013, as amended from time to time (‘the Act’) and other relevant rules made thereunder, the relevant provisions of Regulations 16(1)(b), 17 and other applicable regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’), the relevant provisions of Sections 10A, 16, 20 and other applicable provisions of the Banking Regulation Act, 1949 and the rules, regulations, circulars, directions and guidelines issued by the Reserve Bank of India (‘RBI’), in this regard (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force) , the Articles of Association of the Bank, and pursuant to the recommendation of the Compensation and Nomination & Remuneration Committee of Directors of the Bank and the approval of the Board of Directors of the Bank, Mr. Pradeep Udhas (DIN : 02207112) who was appointed as ‘Additional Director’ in the category of ‘Non-Executive Independent Director’ on the Board of the Bank, with effect from June 9, 2022 and who holds office as such up to the date of the 28<sup>th</sup> Annual General Meeting, be and is hereby appointed as the ‘Non-Executive Independent Director’ of the Bank, for a period of four consecutive years, with effect from June 9, 2022 up to June 8, 2026 (both days inclusive), on such terms and conditions, including remuneration, as may be agreed upon between Mr. Pradeep Udhas and the Bank AND THAT during the said tenure Mr. Pradeep Udhas shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Managing Director & CEO, Deputy CEO, Chief Operating Officer, Chief Human Resources Officer or the Deputy Company Secretary of the Bank be and are hereby severally authorized on behalf of the Bank to execute all such agreements, documents, instruments and writings as may be deemed necessary or desirable for such purpose, file requisite forms or applications with the concerned Statutory/Regulatory Authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard, and do all such acts, deeds, matters and things as may be considered necessary and appropriate, to give effect to the said Resolution.”

## 7. Issue of Long-Term Bonds / Debt Securities on Private Placement Basis:

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

**“RESOLVED THAT** pursuant to the relevant provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time (‘the Act’) and the relevant rules made thereunder, the relevant regulations of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the relevant regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’), the relevant provisions of the Banking Regulation Act, 1949, the relevant provisions of the Foreign Exchange Management Act, 1999, and the Rules, Directions, Regulations, Notifications, Clarifications, Guidelines and Circulars issued by the Reserve Bank of India (‘RBI’) in this regard, from time to time; and any other applicable laws, in each case, (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), the Memorandum of Association and Articles of Association of the Bank and the listing agreements entered into by the Bank with the BSE Limited (‘BSE’) and the National Stock Exchange of India Limited (‘NSE’) (BSE and NSE shall be collectively referred to as the ‘Stock Exchanges’), and subject to receipt of such approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned Statutory or Regulatory authority(ies), and further subject to such terms and conditions or modifications as may be prescribed or imposed by any one or more of them while granting any such approvals, permissions, consents and / or sanctions, which may be agreed upon by the Board of Directors of the Bank (‘the Board’, which term shall be deemed to include any committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent of the Members of the Bank be and is hereby granted to the Board, to borrow / raise funds denominated in Indian Rupees or any other permitted Foreign Currency, by issuance of Debentures, Non-Convertible Debentures, Medium Term Notes, Infrastructure Bonds, Green Bonds, Tier 2 Capital Bonds, Perpetual Debt Instruments, AT 1 Bonds or such other debt securities by whatever name called, in domestic and/or overseas market as may be permitted under the aforesaid norms, from time to time, (‘Debt Securities’) on Private Placement basis and / or for making offers and / or invitations thereof, and / or issue / issuances thereof, on Private Placement basis, in one or more tranches and / or series and / or under one or more shelf disclosure documents and / or one or more Letters of Offer, and on such terms and conditions for each series / tranches, including the price, coupon, premium, discount, tenor etc. as may be deemed fit and appropriate by the Board, as per the structure and within the overall limits as may be permitted by the RBI, from time to time, for an aggregate amount not exceeding ₹ 20,000 crores (Rupees Twenty Thousand Crores only) or its equivalent amount in such foreign currencies as may be necessary, in domestic and / or overseas markets within the overall borrowing limits of the Bank;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized, on behalf of the Bank, to finalize all the terms and conditions and the structure of the proposed Debt Securities, to execute all such deeds, documents, agreements, instruments and writings and accept any alterations or modification(s) as it may deem fit and proper and to take such steps and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or appropriate for such purpose, including without limitation to:

- a) obtain any approvals, permissions, sanctions which may be necessary or desirable, as it may deem fit or as the Board may suo moto decide in its absolute discretion in the best interests of the Bank;
- b) determine the nature of the issuance, terms and conditions for issuance of Debt Securities including the number of Debt Securities that may be offered and proportion thereof, issue price and discounts as permitted under applicable law, rate of interest, timing for issuance of such Debt Securities and also shall be entitled to vary, modify or alter any of the terms and conditions, including size of the issue (within the limit approved by the members), as it may deem expedient;

- c) negotiate, modify, sign, execute, register, deliver and make any applications (including those to be filed with the Regulatory Authorities, if any), filings, deeds, certificates, declarations, consents, communications, affidavits, agreements, documents and writings, as may be necessary or required for the aforesaid purpose including to sign and / or dispatch all forms, filings, documents and notices to be signed, submitted and / or dispatched by it under or in connection with the documents to which it is a party as well as to negotiate, agree to and execute any modification, variation or amendments to the aforementioned documents;
- d) enter into arrangements with bankers and advisors and all such agencies as may be required in connection with the issuance of the Debt Securities and to remunerate all such agencies by way of commission, brokerage, fees, expenses relating thereto or the like;
- e) seek listing of such Debt Securities in one or more Stock Exchanges and issuing any offer document;
- f) decide the utilization of the issue proceeds at its discretion, subject however, to applicable laws;
- g) settle all questions, difficulties or doubts, that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion deem fit; and
- h) further to do all such other acts, deeds mentioned herein as they may deem necessary in connection with the issue of the Debt Securities from time to time and matters connected therewith;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized on behalf of the Bank to delegate all or any of its powers, including the powers conferred by this Resolution, to any Director(s) or Deputy CEO, Chief Operating Officer, Chief Financial Officer or the Deputy Company Secretary of the Bank, to execute all such agreements, documents, instruments and writings as may be deemed necessary or desirable for such purpose, file requisite forms or applications with the concerned Statutory/ Regulatory Authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard, and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or appropriate to give effect to the said Resolutions."

**RESOLVED FURTHER THAT** this Resolution shall be in force for a period of twelve months from the date of its passing by the Members of the Bank or until the next Annual General Meeting, whichever is earlier."

For & on behalf of the Board  
**IndusInd Bank Limited**

Sd/-

**Sumant Kathpalia**  
Managing Director & CEO  
(DIN: 01054434)

Place: Mumbai  
Date: July 18, 2022

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

**CIN:** L65191PN1994PLC076333

**Tel:** (020) 2623 40000

**Secretarial & Investor Services Cell:** 701, Solitaire Corporate Park,  
167, Guru Hargovindji Marg, Andheri (East), Mumbai – 400 093.

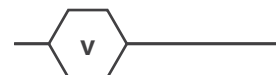
**Tel:** (022) 6641 2487 / 2359:

**Email:** [investor@indusind.com](mailto:investor@indusind.com)

**Website:** [www.indusind.com](http://www.indusind.com)

## NOTES:

1. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021 and Circular No. 2/2022 & Circular No. 3/2022 dated May 5, 2022 and Securities and Exchange Board of India vide its Circular dated May 13, 2022 (Applicable Circulars) and all other relevant Circulars issued from time to time, physical attendance of the Members to the venue of the Annual General Meeting (AGM) is not required and the AGM may be held through Video Conference / Other Audio Visual Means (VC / OAVM). Hence, Members can attend and participate in the ensuing AGM through VC / OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 8, 2020 issued by the Ministry of Corporate Affairs, the facility to appoint Proxy to attend and cast vote for the members would not be available for this AGM. However, the Body Corporates are entitled to appoint Authorised Representatives to attend the AGM through VC / OAVM and participate there at and cast their votes through e-voting.  
  
Therefore, the Proxy Form, Attendance Slip and Route Map have not been annexed with this Notice.
3. The Members can join the AGM in the VC / OAVM mode, 30 minutes before and within 30 minutes after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 members on first-come-first-served basis. Large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Compensation and Nomination & Remuneration Committee and Stakeholders Relations Committee, Auditors etc. may be allowed to attend the AGM without restriction on account of first-come-first-served basis.
4. Attendance of Members in the AGM through VC / OAVM at the time of commencement of the meeting, will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Securities and Exchange Board of India (SEBI) (Listing Obligations & Disclosure Requirements) Regulations, 2015, (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020 and May 5, 2020 the Bank shall be providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Bank has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means as the authorised agency. The facility of casting votes by Members using remote e-Voting system as well as e-voting at the AGM shall be provided by NSDL.
6. In line with the relevant provisions of applicable circulars, the Notice of this AGM has been published on the Bank's website at [www.indusind.com](http://www.indusind.com). The Notice can also be accessed from the websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility), i.e., [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. Pursuant to the provisions of Section 113 of the Companies Act, 2013, Institutional / Corporate Members intending for their Authorised Representatives to attend the AGM are requested to send scanned copy (.pdf / .jpg format) of a Certified True Copy of the Board Resolution / Authority Letter authorizing the Representative to attend the AGM through VC / OAVM on its behalf and to vote, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, on [alwyn.co@gmail.com](mailto:alwyn.co@gmail.com), [investor@indusind.com](mailto:investor@indusind.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) from their registered Email ID.
8. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts in respect of the Resolutions stated at Item Numbers 3 to 7 are annexed hereto.
9. In view of the outbreak of the COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the Circulars issued by the MCA and SEBI in this regard, the Annual Report including the Notice of the 28<sup>th</sup> AGM of the Bank indicating, *inter alia*, the process and manner of e-voting is being sent only by Email, to all the Members whose Email IDs are registered with the Bank / Link Intime India Private Limited, Registrar & Share Transfer Agent ('RTA') of the Bank / Depository Participant(s) for communication purposes to the Members and to all other persons so entitled.



The Annual Report along with this Notice and other documents are being sent, through electronic mode in pursuance to the Applicable Circulars to all the Members whose names appear in the Register of Members as on Friday, July 22, 2022.

A person who is not a Member as on the Friday, July 22, 2022 should treat this Notice as for information purpose only.

10. All documents referred to in the accompanying Notice, Explanatory Statement, and the terms and conditions of appointment of Directors shall be provided to Members on requests sent through e-mail to [investor@indusind.com](mailto:investor@indusind.com) for inspection by Members of the Bank from the date of circulation of this Notice up to the date of AGM, i.e. Friday, August 19, 2022.
11. Members who wish to inspect the documents are requested to send an email to [investor@indusind.com](mailto:investor@indusind.com) mentioning their Name, Folio No. / Client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN Card attached in the email.
12. Members seeking information with regard to the accounts or any matter to be placed at the AGM are requested to send their queries in advance mentioning their Name, Demat Account Number / Folio Number, E-mail Id, Mobile Number to [investor@indusind.com](mailto:investor@indusind.com) **on or before Friday, August 12, 2022** and their questions will be replied to by the Bank suitably.
13. The Register of Directors and Key Managerial Personnel and their Shareholdings, other Statutory Registers prescribed under the Companies Act, 2013 will be available electronically for inspection from the date of circulation of this Notice up to the date of the AGM, i.e. Friday, August 19, 2022.

The Certificate from Secretarial Auditor of the Bank certifying that the ESOP Scheme of the Bank is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be available electronically for inspection on the date of the AGM, i.e. Friday, August 19, 2022.

Members seeking to inspect such documents can send an email to [investor@indusind.com](mailto:investor@indusind.com).

14. Dividend Related Information:
  - a. Dividend as recommended by the Board of Directors, if approved at the AGM, shall be paid on or before Friday, September 16, 2022 to the eligible Members.
  - b. The Members may kindly note that the Bank proposes Record Date (cut-off date) of Friday, August 12, 2022 for the purpose of Dividend, and all the members whose name appears in the Register of Members as at the Record Date (cut-off date) would be entitled to Dividend for the Financial Year 2021-22, if approved at the 28<sup>th</sup> AGM.
  - c. Members holding shares in dematerialized form are requested to intimate before Friday, August 12, 2022 any change in their Address or Bank Account details (including 9 digit MICR No., 11 digit IFSC Code No. and Core Banking Account No.) to their respective Depository Participants with whom they are maintaining their Demat Accounts.
  - d. Members holding shares in physical form are requested to send immediately to the R&T Agent / Bank a communication duly signed by all the holder(s) intimating about the change of address, along with the self-attested copy of their PAN Card(s), unsigned copy of the Cancelled Cheque leaf of an active Bank Account as maintained, and copies of the supporting documents evidencing the change in address. Communication details of R&T agent are as under:

**Link Intime India Pvt. Ltd.,**  
C-101, 247 Park,  
L.B.S. Marg, Vikhroli West, Mumbai – 400083.  
Tel. No.: 022 49186280, 49186000  
Fax No.: 022 49186060
  - e. In case the Bank is unable to make payment of dividend to any member by the electronic mode due to non-availability of the details of the Bank Account, the Bank shall dispatch the MICR Cheque to such members by Post.
  - f. Members may note that as per the Income Tax Act, 1961 ("IT Act"), as amended by the Finance Act, 2020, dividends paid or distributed by the Bank after April 1, 2020 shall be taxable in the hands of the Members and the Bank shall

be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to Members, subject to approval of dividend by the Members in this AGM. The TDS rate would vary depending on the residential status of the Member and the documents submitted by them and accepted by the Bank. In order to enable the Bank to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

## I. For Resident Members –

Tax is required to be deducted at source under Section 194 of the IT Act, at the rate of 10% on the amount of dividend where members have registered their valid Permanent Account Number (PAN). In case of members who do not have PAN / have not registered their valid PAN details in their account, TDS at the rate of 20% shall be deducted under Section 206AA of the IT Act.

### a. Resident Individuals:

No tax shall be deducted on the dividend payable to resident individuals if –

- i. Total dividend amount to be received by them during the Financial Year 2022-23 does not exceed Rs. 5,000/-;
- ii. The member provides Form 15G (applicable to individuals below 60 years) / Form 15H (applicable to Individuals of 60 years and above) providing that all the required eligibility conditions are met. Please note that all fields are mandatory to be filled up and that the Bank may, at its sole discretion, reject the form if it does not fulfil the requirement of law.
- iii. Exemption Certificate, if any, is issued by the Income-tax Department.

### Note:

1. **Recording of the PAN for the registered Folio / DP ID-Client ID is mandatory. In the absence of valid PAN, tax will be deducted at a higher rate of 20%, as per Section 206AA of the IT Act.**
2. Members are requested to ensure that Aadhaar number is linked with PAN, as per the timelines prescribed. In case of failure in linking Aadhaar with PAN within the prescribed timelines, PAN shall be considered inoperative and, in such a scenario, tax shall be deducted at the higher rate of 20%.
3. Irrespective of updation of PAN, as per Section 206AB introduced in Finance Act 2021, TDS is to be applied at higher rates where the member has not filed Income Tax Return (‘ITR’) for the assessment year relevant to the previous year immediately preceding the financial year (FY) in which tax is required to be deducted, for which time limit for furnishing the return of income has expired under section 139(1) of the Act & TDS / Taxes Collected at Source (TCS) on their income is INR 50,000/- or more in the previous year. Declaration in respect of not being a ‘specified person’ as defined under section 206AB as per prescribed format shall be provided. Refer Part III below.

### b. Resident Non-Individuals:

No tax shall be deducted on the dividend payable to the following resident non-individuals where they provide details and required documents.

- i. **Insurance Companies:** Self-Declaration that it qualifies as ‘Insurer’ as per section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the Equity shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA) / LIC/ GIC.
- ii. **Mutual Funds:** Self-Declaration that it is registered with SEBI and is notified under Section 10 (23D) of the IT Act along with self-attested copy of PAN Card and Certificate of Registration with SEBI.

- iii. **Alternative Investment Fund (AIF):** Self-Declaration that its income is exempt under Section 10 (23FBA) of the IT Act and they are registered with SEBI as Category I or Category II AIF along with self-attested copy of the PAN card and certificate of AIF registration with SEBI.
  - iv. **New Pension System (NPS) Trust:** Self-Declaration that it qualifies as NPS trust and income is eligible for exemption under section 10(44) of the IT Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN Card.
  - v. **Other Non-Individual members:** Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN Card.
- c. In case members (both individuals or non-individuals) provide certificate under Section 197 of the IT Act for financial year 2022-23 for lower / NIL withholding of taxes on dividend income, the rate specified in the said certificate shall be considered on submission of self-attested copy of the same.

## II. For Non-resident Members –

- a. Taxes are required to be deducted in accordance with the provisions of Section 195 and Section 196D of the IT Act as per the rates as applicable. As per the relevant provisions of the IT Act, TDS shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable. In case non-resident members provide a certificate issued under Section 197/195 of the IT Act, for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.
- b. Further, as per Section 90 of the IT Act, non-resident members have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) or tax treaty between India and the country of tax residence of the member if they are more beneficial to them. For this purpose, i.e., to avail Tax Treaty benefits, the non-resident members are required to provide the following:
  - i. Self-attested copy of the PAN Card allotted by the Indian Income Tax authorities. In case, PAN is not available, the non-resident member shall furnish (a) name, (b) email id, (c) contact number, (d) address in residency country, (e) Tax Identification Number of the residency country.
  - ii. Self-attested copy of Tax Residency Certificate (TRC) (for the year in which dividend is received) obtained from the tax authorities of the country of which the member is a resident. In case TRC furnished is in a language other than English, said TRC would have to be translated to English language and thereafter notarized and apostilled copy of the TRC would have to be provided.
  - iii. Self-Declaration in Form 10F.
  - iv. Self-Declaration by member of meeting treaty eligibility requirement and satisfying beneficial ownership requirement. (for the year in which dividend is received).
  - v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI Registration Certificate.
  - vi. In case of member being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore DTAA. It is recommended that member should independently satisfy its eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.

Kindly note that the Bank is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Bank of the documents submitted by the non-resident member.

- c. In case of Global Depository Receipt (GDR) holders, taxes shall be withheld at 10% plus applicable surcharge and cess in accordance with provisions of Section 196C of the IT Act, only if they provide self-attested copy of the PAN Card. In case no PAN details are made available, tax will be deducted at 20% plus applicable surcharge and cess.

Accordingly, in order to enable us to determine the appropriate withholding tax rate applicable, **we request you to provide these details and documents as mentioned above, on or before August 12, 2022 (cut-off date).**

### III. TDS to be deducted at higher rate in case of non-filers of Return of Income

The Finance Act, 2021, has inter alia inserted the provisions of section 206AB of the IT Act with effect from July 1, 2021. The provisions of section 206AB of the IT Act require the deductor to deduct tax at higher of the following rates from amount paid / credited to 'specified person':

- i. At twice the rate specified in the relevant provision of the Act; or
- ii. At twice the rate(s) in force; or
- iii. At the rate of 5%.

The 'specified person' means a person who has:

- a) not filed return of income for the assessment year relevant to the previous year immediately preceding the FY in which tax is required to be deducted, for which the time limit of filing return of income under section 139(1) of the Act has expired; and
- b) aggregate of TDS/ TCS in his case amounts to Rs. 50,000 or more in the said previous year.

The non-resident who does not have a permanent establishment is excluded from the scope of a specified person.

To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents **not later than 6.00 p.m. on Friday, August 12, 2022.**

#### **FOR MEMBERS HAVING MULTIPLE ACCOUNTS UNDER DIFFERENT STATUS / CATEGORY:**

Members holding Equity shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

(In terms of Rule 37BA of Income Tax Rules 1962 if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then deductee should file declaration with Bank in manner prescribed by Rules.) The declaration shall contain the name, address, PAN of the person to whom credit is to be given, payment or credit in relation to which credit is to be given and reasons for giving credit to such person.

#### **SUBMISSION OF TAX RELATED DOCUMENTS:**

##### **Resident Members**

The aforesaid documents such as Form 15G / 15H, documents under section 196, 197A, etc. can be submitted to the Registered email ID [indusindbankdivtax@linkintime.co.in](mailto:indusindbankdivtax@linkintime.co.in) or upload the same by visiting the link <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> **on or before August 12, 2022** to enable the Bank to determine the appropriate TDS / withholding tax rate applicable. **Any communication on the tax determination / deduction received post August 12, 2022 (6.00 p.m. IST) shall not be considered.**

Resident Members can also send the scanned copies of the documents mentioned above at the email ID mentioned below:

Email ID	<a href="mailto:indusindbankdivtax@linkintime.co.in">indusindbankdivtax@linkintime.co.in</a>
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Members are requested to send the scanned copies of the documents mentioned above at the email ID mentioned below:

Email ID	<a href="mailto:investor@indusind.com">investor@indusind.com</a>
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on or before August 12, 2022 (6.00 p.m. IST) in order to enable the Bank to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination / deduction shall be entertained post **August 12, 2022 (6.00 p.m. IST)**. It may be further noted that in case the tax on said dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents from the members, there would still be an option available with the members to file the return of income and claim an appropriate refund, if eligible.

**Updating of PAN, email address and other details:**

Members holding shares in dematerialized mode, are requested to update their records such as Tax Residential Status, PAN, registered email addresses, mobile numbers and other details with their relevant Depositories through their Depository Participants. Members holding shares in physical mode are requested to furnish details to the Bank's Registrar and Share Transfer Agent. The Bank is obligated to deduct TDS based on the records available with RTA and no request will be entertained for revision of TDS return.

**Updating of Bank Account details:**

Members are also requested to submit / update their Bank Account details with their Depository Participant in case of holding of shares in the electronic form. In case of shareholding in the physical form, Members are requested to submit a scanned copy of a duly signed covering letter, along with a cancelled cheque leaf having the Member's Name and Bank Account details and a copy of their PAN Card, duly self-attested. This will facilitate receipt of dividend directly into the Member's Bank Account. In case the cancelled cheque leaf does not bear the Member's Name, please attach a copy of the bank pass-book statement, duly self-attested.

Kindly note that the aforementioned documents are required to be uploaded by August 12, 2022 at [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html)

For further information, Members are requested to refer to the email communication sent to them in this regard.

15. In view of the outbreak of the COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the Circulars issued by the MCA and SEBI in this regard, the Annual Report including the Notice of the 28<sup>th</sup> AGM of the Bank indicating, *inter alia*, the process and manner of e-voting is being sent only by Email, to all the Members whose Email IDs are registered with the Bank / Link Intime India Private Limited, Registrar & Share Transfer Agent ('RTA') of the Bank / Depository Participant(s), for communication purposes and to all other persons so entitled.
16. To enable the Bank to send the Annual Report by email to all the Members, an advertisement was also published in Financial Express (all editions) and Loksatta (Pune region), both having electronic editions, on Saturday, July 9, 2022, requesting the Members to register / update their e-mail address and mobile number with their Depository Participant in case of shares held in electronic form and in case of shares held in physical form with the RTA of the Bank.  
  
To support the Bank's 'Green Initiative', Members who have not registered their e-mail addresses may please register the same, along with their contact numbers, with the Bank by sending details to [investor@indusind.com](mailto:investor@indusind.com) or with LinkIntime India Pvt. Ltd. at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) to enable the Bank to communicate to them the information about various developments in the Bank.
17. Brief profile and other relevant information about Directors seeking appointment / re-appointment, in accordance with Regulation 36(3) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, form part of this Notice.

18. The Board of Director of the Bank has appointed M/S MSKA & Associates (Firm Registration Number 105047W) as one of the Joint Statutory Auditors of the Bank for a period of 3 years subject to approval of the members of the Bank. The details are given in the explanatory statement of this Notice.
19. Pursuant to Section 124 of the Companies Act, 2013, dividend for the Financial Year ended March 31, 2015 which remains unpaid or unclaimed for a period of seven years, shall become due for transfer on the due date or on the date as may be extended by the Ministry of Corporate Affairs, on account of COVID-19 pandemic, to the Investor Education and Protection Fund of the Central Government.
20. Intimation Letters were sent on June 3, 2022 to Members who have not claimed their dividends for FY 2014-15 for seven consecutive years. An Advertisement was also published in Financial Express (all editions) and Loksatta (Pune region) on June 4, 2022 requesting the Members to claim the dividends from the Bank on or before September 2, 2022, failing which, their shares would be transferred to the IEPF Authority within 30 days from the due date.
21. The Bank has already transferred all shares in respect of which dividend had not been paid or claimed for seven consecutive years or more along with unpaid or unclaimed dividend declared for the financial year ended March 31, 2014 and earlier periods to the Investor Education and Protection Fund. Members who have so far not claimed their dividends for the FY 2013-2014 may claim their Dividend / Shares from the IEPF Authority, by submitting an application in e-form IEPF 5. The detailed procedure for claiming the Shares / Dividend amount which have been transferred to IEPF is available at: <http://iepf.gov.in/IEPF/corporates.html>
22. The information pertaining to Unpaid or Unclaimed Dividends and the details of such Members and the Shares due for transfer to the IEPF Authority are also available on the Bank's website at [www.indusind.com](http://www.indusind.com).
23. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to Link Intime India Private Limited, Registrar & Share Transfer Agent of the Bank, or to the Secretarial and Investor Services Cell of the Bank.
24. Procedure for registering the e-mail addresses and obtaining the Annual Report and AGM Notice and e-Voting instructions by the Members whose email addresses are not registered with the Depositories (in case of Members holding shares in Demat form) or with the Registrar & Share Transfer Agent of the Bank, (in case of Members holding shares in physical form).

Members holding shares in physical form are also requested to notify any change in their e-mail ID or bank mandates or address to the Bank's Registrar and Share Transfer Agent by quoting their Folio Number, while those holding shares in electronic form, are requested to notify the change to their Depository Participants.

You may visit [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) to update your details.

Process for those Members whose E-mail ID is not registered with the Depositories for procuring User Id and Password and registration of E-mail Ids for e-Voting for the Resolutions set out in this Notice:

- A. In case shares are held in physical form, please provide Folio No., Name of Member, scanned copy of the Share Certificate (front and back), PAN (self- attested scanned copy of PAN Card), Aadhaar (self-attested scanned copy of Aadhaar Card) by email to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
  - B. In case shares are held in Demat mode, please provide DPID-Client ID (16-digit DPID + Client ID or 16-digit Beneficiary ID), Name, Client Master or copy of Consolidated Account Statement, PAN Card (self-attested scanned copy of PAN Card), AADHAAR Card (self-attested scanned copy of Aadhaar Card) to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
  - C. Alternatively, Members may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point A or B above, as the case may be.
25. With a view to serving the Members better and for administrative convenience, an attempt would be made to consolidate multiple folios. Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Bank to consolidate their holdings in one folio.

26. Pursuant to Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form, with effect from April 1, 2019, except in case of transmission or transposition of securities.

In view of the above and to eliminate risks associated with physical shares and to avail various benefits of dematerialization which includes easy liquidity, Members are advised to dematerialize their shares held in physical form.

Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account or the Members may also visit web site of depositories viz. National Securities Depository Limited viz. <https://nsdl.co.in/faqs/faq.php> or Central Depository Services (India) Limited viz. <https://www.cdslindia.com/investors/open-demat.html> for further understanding of the dematerialization procedure.

27. Members can avail of the Nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the Bank. Blank forms will be provided on request.
28. In compliance with Section 108 of the Companies Act, 2013 read with corresponding Rules and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Bank is providing the facility for voting by electronic means to the Members to cast their votes electronically on the Resolutions mentioned in the accompanying Notice.
- In addition to this, the facility for voting through Electronic Voting System shall also be made available at the AGM, to enable the Members to cast their votes electronically, who have not casted their vote prior to the AGM by remote voting.
29. Voting Rights of the Members shall be in proportion to their share in the Paid-up Equity Share Capital of the Bank as on the cut-off date, and they may cast their votes electronically.
30. Members who have registered their e-mail IDs with the Bank / their respective Depository Participants, are being forwarded Login ID and Password for Remote e-Voting via e-mail along with the Notice of this AGM.
31. The Board of Directors of the Bank has appointed Mr. Alwyn D'souza (Membership No. FCS 5559), or failing him Mr. Jay D'souza (Membership No. FCS 3058), Practicing Company Secretaries, from M/s Alwyn Jay & Co., Company Secretaries as 'Scrutinizer', for conducting the Remote e-Voting process, including Electronic Voting at the AGM, in a fair and transparent manner.
32. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow conducting of voting using electronic system for all those members who are participating in the AGM and who have not cast their votes by availing the remote e-Voting facility.
33. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast at the meeting and through remote e-Voting in the presence of at least two witnesses not in the employment of the Bank and shall submit, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or any other Director or any other person authorized in writing by the Board, who shall countersign the same.
34. Members who have cast their votes by Remote e-Voting prior to the meeting may attend the meeting but shall not be entitled to cast their votes again.
35. The results shall be declared on the above resolutions within 48 hours of the conclusion of the Annual General Meeting of the Bank and shall be deemed to be passed on the date of the Annual General Meeting. The Results, along with the Scrutinizer's Report, shall be placed on the website of the Bank at [www.indusind.com](http://www.indusind.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and shall be communicated to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) where the shares of the Bank are listed. The Results shall also be displayed on the Notice Board at the Registered Office, Corporate Office and at the Secretarial & Investor Services Cell of the Bank.
36. Webcast facility: The Bank is pleased to provide the facility of one-way live webcast of proceedings of Annual General Meeting for its Members.

Members who are entitled to participate in the AGM can view the proceeding of AGM by logging on the website of NSDL at <https://www.evoting.nsdl.com> by following the steps mentioned under "Access to NSDL e-voting system".

37. Members who would like to express their views / ask questions during the meeting are requested to register themselves as a Speaker and may send their request mentioning their Name, Demat Account Number / Folio Number, E-mail Id and Mobile Number to [investor@indusind.com](mailto:investor@indusind.com) from Thursday, August 11, 2022 to Tuesday, August 16, 2022 with email subject as 'Speaker Registration for AGM – August 19, 2022'. The Bank reserves the right to restrict the number of Speakers depending on the availability of time for the AGM. Please note that only those Members who have registered themselves as 'speaker' will be allowed to express their views / ask questions during the AGM.
38. Instructions for Remote e-Voting and Electronic Voting at the AGM are as under:

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER: -**

**The remote e-voting period begins on Tuesday, August 16, 2022 at 9:00 a.m. and ends on Thursday, August 18, 2022 at 5:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the Record Date (cut-off date) i.e. Friday, August 12, 2022, may cast their vote electronically. The voting right of Members shall be in proportion to their share in the Paid-Up Equity Share Capital of the Bank as on the cut-off date, being Friday, August 12, 2022.**

**How do I vote electronically using NSDL e-Voting system?**





The process to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

A) Login method for e-Voting and joining virtual meeting for Individual Members holding securities in demat mode:

In terms of SEBI Circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their Mobile Number and E-mail Id in their demat accounts in order to access e-Voting facility. Login method for Individual Members holding securities in demat mode is given below:

Type of Members	Login Method
Individual Members holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="555 1108 1444 1466">1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for <b>IDeAS</b> e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li data-bbox="555 1475 1444 1765">2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "<b>Login</b>" which is available under 'Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> </ol>

Type of Members	Login Method
	<p>3. Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="text-align: center;">  App Store          Google Play       </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>
Individual Members holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their User ID and Password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Members (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your Demat Account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the Remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at Toll free No.: 1800 1020 990 and 1800 22 44 30
Individual Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for Members other than Individual Members holding securities in demat mode and Members holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

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

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

4. Your User ID details are given below :

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

5. Password details for Members other than Individual Members are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - I. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - II. If your email ID is not registered, please follow steps mentioned below in **process for those Members whose email ids are not registered.**

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

#### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “**EVEN 120562**” to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC / OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the print out of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for Members**

1. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [investor@indusind.com](mailto:investor@indusind.com), [indusindscrutinizer@gmail.com](mailto:indusindscrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional Members (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Ms. Soni Singh) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those Members whose Email IDs are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of Member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN Card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investor@indusind.com](mailto:investor@indusind.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN Card), AADHAAR (self-attested scanned copy of Aadhar Card) to [investor@indusind.com](mailto:investor@indusind.com). If you are an Individual Member holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual Members holding securities in demat mode.
3. Alternatively members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through Remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system.  
Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC / OAVM link" placed under "Join meeting" menu against Bank name. You are requested to click on VC / OAVM link placed under Join Meeting menu. The link for VC / OAVM will be available in Member login where the EVEN of Bank will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.  
Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective internet network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
4. Members who would like to express their views / have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investor@indusind.com](mailto:investor@indusind.com).

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

### **ORDINARY BUSINESS**

#### **ITEM NO. 3:**

#### **Appointment of a Director in place of Mr. Sumant Kathpalia (DIN: 01054434), who retires by rotation, and being eligible, offers himself for re-appointment.**

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

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

As on March 31, 2022, the Bank's Board comprised of nine Directors of which, seven are Independent Directors, viz. Mr. Shanker Annaswamy, Dr. T.T. Ram Mohan, Mrs. Akila Krishnakumar, Mr. Rajiv Agarwal, Mr. Sanjay Asher, Mrs. Bhavna Doshi and Mr. Jayant Deshmukh, as they continue to satisfy the criteria prescribed for Independent Directors, under Section 149 (6) of the Act and Regulation 16(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As such, they will not be liable to retire by rotation during their tenure as Independent Director of the Bank. The other two Directors are Mr. Arun Tiwari, Part Time Non-Executive Non-Independent Chairman and Mr. Sumant Kathpalia, Managing Director & CEO of the Bank, who shall be liable to retire by rotation in accordance with the provisions of Section 152 (6) of the Act.

In terms of Section 152 (6) of the Act, Mr. Sumant Kathpalia is liable to retire by rotation at the AGM, and being eligible, has offered himself for re-appointment.

Mr. Sumant Kathpalia was inducted as Additional Director of the Bank pursuant to Section 10A of the Banking Regulation Act, 1949 and the Articles of Association of the Bank by the Board, with effect from March 24, 2020. The Bank's shareholders had, in their meeting held on September 25, 2020, approved his appointment as 'Managing Director & CEO' for a period of three years with effect from the date of his said appointment.

The Reserve Bank of India had, vide their letter dated February 27, 2020, conveyed their approval for the appointment of Mr. Sumant Kathpalia as 'Managing Director & CEO' for three years with effect from March 24, 2020 and for the terms of remuneration from March 24, 2020 until March 31, 2021.

Brief profile of Mr. Sumant Kathpalia, including his remuneration details, Directorships and Committee positions held by him in other companies are provided separately in the Notice, as required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards – 2 on General Meetings.

The Board recommends passing of the ordinary resolution relating to the re-appointment of Mr. Sumant Kathpalia, set out at Item No. 3 of the Notice, for the approval of the Members.

Mr. Sumant Kathpalia is not related to any other Director or Key Managerial Personnel of the Bank.

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

#### **ITEM NO. 4:**

#### **Appointment of new Joint Statutory Auditor:**

In terms of Section 30 (1A) of the Banking Regulation Act, 1949, it is necessary for every banking company to obtain prior approval of the Reserve Bank of India (RBI), before appointing any of the Joint Statutory Auditor(s).

In terms of Guidelines for Appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) ("RBI Guidelines") dated April 27, 2021, issued by the RBI, Statutory Auditors of a Bank can be appointed for a term of 3 years each.

As per the said RBI Guidelines, considering the Bank's asset size, the Audit Committee of Board and the Board of Directors (the Board) of the Bank, had considered and approved the appointment of the following Chartered Accountant Firms as the Joint Statutory Auditors of the Bank viz. M/s Haribhakti & Co. LLP, Chartered Accountants (Firm Registration Number 105047W) (for a period of one year to hold office from the conclusion of 27<sup>th</sup> AGM until the conclusion of 28<sup>th</sup> AGM) , and M/s M. P. Chitale & Co. Chartered Accountants (Firm Registration Number 101851W), (for a period of three (3) years, to hold office from the conclusion of 27<sup>th</sup> AGM until the conclusion of the 30<sup>th</sup> AGM of the Bank), subject to approval of the RBI to be obtained by the Bank, on an annual basis from the conclusion of 28<sup>th</sup> AGM. The appointments were approved by the Members at their 27<sup>th</sup> AGM held on August 26, 2021.

In terms of RBI communication dated October 12, 2021, M/s. Haribhakti & Co. LLP, Chartered Accountants has not undertaken any type of audit assignment for the period commencing from April 1, 2022, until the conclusion of their term of office, upto this AGM.

However, the RBI has permitted the Bank to use the services of M/s. Haribhakti & Co. LLP, Chartered Accountants for any certification work relating to the financial results of the Bank for the year ended March 31, 2022.

Accordingly, the Bank is required to appoint a Joint Statutory Auditor in place of M/s. Haribhakti & Co. LLP, Chartered Accountants., subject to the prior approval of the RBI.

The Board of Directors had, in their meeting held on July 18, 2022, approved the appointment of M/s. MSKA & Associates, Chartered Accountants, (Firm Registration No. 105047W) as the other Joint Statutory Auditor of the Bank, for a period of three years, from the conclusion of the twenty eight Annual General Meeting of the Bank up to the conclusion of the thirty first Annual General Meeting of the Bank on the terms and conditions including remuneration, subject to the approval of the RBI to be obtained by the Bank, on an annual basis from the conclusion of the Twenty-ninth Annual General Meeting of the Bank. RBI had issued its approval in this regard vide letter dated July 12, 2022, which also included approval for the appointment of M/s. M P Chitale & Co., Chartered Accountants as the joint Statutory Auditors of the Bank for the second year of appointment i.e. FY 2022-23.

M/s. MSKA & Associates, Chartered Accountants, (Firm Registration No. 105047W) have confirmed that their appointment, if made, would be within the limits specified under the provisions of Section 141 of the Act and that they are not disqualified from being appointed as the Joint Statutory Auditor of the Bank, in terms of the relevant provisions of the Act and the Companies (Audit and Auditors) Rules, 2014, as amended.

#### **Brief Profile of the Joint Statutory Auditor**

##### **M/s. MSKA & Associates, Chartered Accountants,**

- Established in 1978, MSKA & Associates is an Indian partnership firm registered with the Institute of Chartered Accountants of India (ICAI) and the PCAOB (US Public Company Accountancy Oversight Board). The firm is a member firm of BDO International.
- Presence through Offices across 10 key cities in India at Mumbai, Gurugram, Kolkata, Ahmedabad, Pune, Goa, Pune, Bangalore, Kochi and Hyderabad.
- The firm provides range of services which include Audit & Assurance, Taxation and Accounting Advisory.
- The Firm's Audit and Assurance practice has significant experience in auditing financial services clients including large banks and other financial services entities.

#### **Information pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended:**

##### **A. Terms and condition relating to the appointment including fees, as approved by the RBI:**

M/s. MSKA & Associates, Chartered Accountants is proposed to be appointed as the other Joint Statutory Auditor of the Bank, in place of /s. Haribhakti & Co. LLP, Chartered Accountants, for a period of three years, from the conclusion of the Twenty Eight Annual General Meeting of the Bank up to the conclusion of the thirty first Annual General Meeting of the Bank on the terms and conditions, including remuneration as set out in Item No.4 of the Notice, for approval by the Members.

##### **B. Any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change:**

The members of the Bank at the AGM held on August 26, 2021 approved overall remuneration of Rs. 2,40,00,000 (Rupees Two Crores Forty Lakhs only) which would be allocated by the Bank between M/s. M. P. Chitale & Co., Chartered Accountants and M/s. MSKA & Associates, Chartered Accountants as may be mutually agreed between the Bank and the said Joint Statutory Auditors, depending upon their respective scope of work.

**C. Basis of recommendation for said appointment including details in relation to and credentials of the Joint Statutory Auditor, proposed to be appointed:**

M/s. MSKA & Associates, Chartered Accountants

The Board recommends the passing of the Ordinary Resolution relating to the appointment of Joint Statutory Auditor of the Bank set out at Item No. 4 of the Notice, for the approval of the Members.

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

**SPECIAL BUSINESS**

**ITEM NO. 5:**

**Re-appointment of Mrs. Akila Krishnakumar (DIN: 06629992) as the Non-Executive Independent Director of the Bank.**

Mrs. Akila Krishnakumar was appointed as the Non-Executive Independent Director of the Bank, for a period of four consecutive years, with effect from August 10, 2018 up to August 9, 2022 (both days inclusive). The said re-appointment was approved by the Members of the Bank at the 25<sup>th</sup> Annual General Meeting held on August 16, 2018. During the said tenure, Mrs. Akila Krishnakumar being an Independent Director, was not liable to retire by rotation.

The Compensation and Nomination & Remuneration Committee (the "C&NRC") at its meeting held on July 15, 2022, considered the proposal to re-appoint Mrs. Akila Krishnakumar as the Non-Executive Independent Director of the Bank, for her second term of four consecutive years, from August 10, 2022 up to August 9, 2026 (both days inclusive) and the terms and conditions relating to the said re-appointment, including remuneration.

The C&NRC noted that as Mrs. Akila Krishnakumar has the requisite qualification, skills, experience and expertise in specific functional areas, prescribed under the provisions of Section 10A 2(a) of the Banking Regulation Act, 1949, as amended, which are beneficial to the business interest of the Bank, approved her re-appointment as the Non-Executive Independent Woman Director of the Bank, for her second term of four consecutive years, from August 10, 2022 up to August 9, 2026 (both days inclusive) and the terms and conditions relating to the said re-appointment, including remuneration, and recommended the same, for the approval of the Board.

The Board of Directors ('the Board') of the Bank at its meeting held on July 18, 2022, has reviewed the disclosures/ declarations received from Mrs. Akila Krishnakumar and determined that Mrs. Akila Krishnakumar is fit and proper to be re-appointed as a Director of the Bank, as per the norms prescribed by the RBI.

The Board also noted that Mrs. Akila Krishnakumar meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Regulation 16 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

In terms of Section 164 of the Companies Act, 2013, Mrs. Akila Krishnakumar is not disqualified from being appointed as a Director and has given her consent to act as a Director of the Bank.

Mrs. Akila Krishnakumar is not debarred from holding the office of a director by virtue of any SEBI order or any other regulatory/ statutory authority.

In the opinion of the Board, she fulfils the conditions for the said re-appointment as prescribed under the relevant provisions of the Companies Act, 2013 and the relevant Rules made thereunder, the SEBI Listing Regulations, the Banking Regulation Act, 1949 and the Guidelines issued by the RBI, in this regard, from time to time.

Mrs. Akila Krishnakumar has duly complied with the requirements of the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended.

Pursuant to the recommendation of the C&NRC, the Board considered and approved the re-appointment of Mrs. Akila Krishnakumar as the Non-Executive Independent Woman Director of the Bank, for her second term of four consecutive years from August 10, 2022 up to August 9, 2026 (both days inclusive) and the terms and conditions relating to the said re-appointment, including remuneration, subject to the approval of the Members of the Bank at this AGM. During the said tenure, Mr. Akila Krishnakumar shall not be liable to retire by rotation in terms of the provisions of Section 149(13) of the Companies Act, 2013.

The C&NRC and the Board also noted the skillsets of Mrs. Akila Krishnakumar in the areas relating to Information Technology & Payments & Settlement Systems, Human Resources and Business Management, which are beneficial to the business interest of the Bank.

Mrs. Akila Krishnakumar is the Chairperson of the Compensation and Nomination & Remuneration Committee, Customer Service Committee, Vigilance Committee and Corporate Social Responsibility & Sustainability Committee of the Board of Directors of the Bank and a Member of the IT Strategy Committee and Review Committee - Non-Cooperative Borrowers and Wilful Defaulters of the Board of Directors of the Bank.

The C&NRC and the Board have taken into account the outcome of her performance evaluation and were unanimous in their opinion that the re-appointment of Mrs. Akila Krishnakumar as an Independent Director of the Bank would be in the business interest of the Bank.

Brief profile of Mrs. Akila Krishnakumar, including her remuneration details, Directorships and Committee positions held by her in other companies are provided separately in the Notice, as required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards – 2 on General Meetings.

The Board recommends the passing of the Special Resolution relating to the said re-appointment, as set out at Item No. 5 of the Notice, for the approval of the Members.

Mrs. Akila Krishnakumar is not related to any Director or Key Managerial Personnel of the Bank.

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

## **ITEM NO. 6:**

### **Appointment of Mr. Pradeep Udhas (DIN : 02207112) as the Non-Executive Independent Director of the Bank.**

As part of the succession planning process (DIN : 02207112), the Compensation and Nomination & Remuneration Committee (the "C&NRC") had initiated the process to scout for a suitable candidate for the post of Non-Executive Independent Director of the Bank

The C&NRC at its meeting held on May 6, 2022, reviewed the candidature of Mr. Pradeep Udhas for the said post. The C&NRC reviewed the disclosures/ declarations received from Mr. Pradeep Udhas and determined that Mr. Pradeep Udhas is fit and proper to be appointed as a Director of the Bank, as per the norms prescribed by the Reserve Bank of India (the "RBI").

The C&NRC noted that Mr. Pradeep Udhas has the requisite qualification, skills, experience and expertise in specific functional areas, prescribed under the provisions of Section 10A 2(a) of the Banking Regulation Act, 1949, as amended, which are beneficial to the business interest of the Bank, and accordingly approved and recommended the appointment of Mr. Pradeep Udhas, as the Additional Director in the category of Non-Executive Independent Director on the Board of the Bank from the date of his appointment by the Board of Directors of the Bank and to hold office as such up to the date of the ensuing Annual General Meeting and as the Non-Executive Independent Director of the Bank, for a period of four consecutive years from the said date and the terms and conditions relating to the said appointment, including remuneration, for the approval of the Board.

The Board of Directors ('the Board') of the Bank at its meeting held on June 9, 2022, also reviewed the disclosures/ declarations received from Mr. Pradeep Udhas and determined that Mr. Pradeep Udhas is fit and proper to be appointed as a Director of the Bank, as per the norms prescribed by the RBI.

At the said meeting the Board reviewed the declaration received from Mr. Pradeep Udhas that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Regulation 16 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

In terms of Section 164 of the Companies Act, 2013, Mr. Pradeep Udhas is not disqualified from being appointed as a Director and has given his consent to act as a Director of the Bank.

Mr. Pradeep Udhas is not debarred from holding the office of a director by virtue of any SEBI order or any other regulatory/statutory authority.

In the opinion of the Board, Mr. Pradeep Udhas fulfils the conditions for the said appointment as prescribed under the relevant provisions of the Companies Act, 2013 and the relevant Rules made thereunder, the SEBI Listing Regulations, the Banking Regulation Act, 1949 and the Guidelines issued by the RBI, in this regard, from time to time.

Mr. Pradeep Udhas has registered as an Independent Director, in terms of the relevant provisions of the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended.

As recommended by the C&NRC, the Board at the said meeting, considered and approved the appointment of Mr. Pradeep Udhas as an 'Additional Director' in the category of Non-Executive Independent Director on the Board of the Bank and to hold office as such from June 9, 2022 up to the date of this AGM, in terms of Section 161 of the Companies Act, 2013 and as the Non-Executive Independent Director of the Bank, for a period of four consecutive years, with effect from June 9, 2022 up to June 8, 2026, (both days inclusive) subject to the approval of the Members of the Bank, by means of a Special Resolution. During the said tenure, Mr. Pradeep Udhas shall not be liable to retire by rotation in terms of the provisions of Section 149(13) of the Companies Act, 2013.

Brief profile of Mr. Pradeep Udhas including his proposed remuneration details, Directorships and Committee positions held by him in other companies are provided separately in the Notice, as required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards – 2 on General Meetings.

The Board recommends the passing of the Special Resolution relating to the said appointment, as set out at Item No. 6 of the Notice, for the approval of the Members.

Mr. Pradeep Udhas is not related to any Director or Key Managerial Personnel of the Bank.

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

#### **ITEM NO. 7:**

##### **Issue of Long-Term Bonds / Debt Securities on Private Placement Basis:**

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

The Bank may raise additional funds to meet the needs of its growing business requirements, including long-term capital for pursuing its growth plans by way of borrowing / raising funds denominated in Indian Rupees or any other permitted Foreign Currency, by issuance of Debentures, Non-Convertible Debentures, Medium Term Notes, Infrastructure Bonds, Green Bonds, Tier 2 Capital Bonds, Perpetual Debt Instruments, AT 1 Bonds or such other debt securities by whatever name called and as may be permitted under the aforesaid norms, from time to time, ("Debt Securities")

The Bank may also maintain the CRAR by issuing Basel III-compliant Additional Tier I / Tier II debt instruments or any other instruments of a similar nature.

In the last AGM of the Bank held on August 26, 2021, approval of the Members had been obtained for issuance of Bonds / Non-Convertible Debentures (NCDs), i.e., Long-Term Bonds including Infrastructure Bonds and Subordinated Non-Convertible Debentures eligible to be included in the Additional Tier I and Tier II Capital of the Bank, up to ₹ 20,000 crores (Rupees twenty

thousand crores only) on Private Placement basis, which is valid for a period of one year from the date of passing the resolution i.e. August 26, 2021 or the date of this Annual General Meeting i.e. August 19, 2022, whichever is earlier.

Considering the guidelines issued by Reserve Bank of India on issue of Long-Term Bonds / Basel III - compliant Additional Tier I and Tier II Bonds, and the fact that these Bonds will also assist the Bank in reducing Asset-Liability mismatches, the Board of Directors in their meeting held on July 18, 2022, approved seeking consent of the Members for borrowing of monies / raising of funds in Indian / Foreign Currency by way of issue of Securities including but not limited to Long-Term Bonds including Infrastructure Bonds / NCDs / Medium Term Notes (forming part of Tier I / Tier II Capital in accordance with Basel III Capital Regulations) or any other instrument of a similar nature up to ₹ 20,000 crores (Rupees Twenty Thousand crores only) in one or more tranches in domestic and / or overseas market in Indian or foreign currency, whether Secured or Unsecured as permitted by the Reserve Bank of India, to the eligible investors on Private Placement basis, on such terms and conditions as may be decided by the Board of Directors or any Committee of the Board or such other person(s) as may be authorised by the Board, from time to time. This would form part of the overall borrowing limit, as approved by the Members of the Bank, from time to time, pursuant to Section 180 (1) (c) of the Companies Act, 2013.

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

The capital funds, if any, raised will augment the long term funds of the Bank and improve the regulatory capital adequacy where applicable and such funds will be deployed for furtherance of the business of the Bank.

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

The Board recommends passing of the Special Resolution set out at Item No. 7 of the Notice for approval of the Members.

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

For & on behalf of the Board  
**IndusInd Bank Limited**

Sd/-

**Sumant Kathpalia**  
**Managing Director & CEO**  
(DIN: 01054434)

Place: Mumbai  
Date: July 18, 2022

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

**CIN:** L65191PN1994PLC076333

**Tel:** (020) 2623 40000

**Secretarial & Investor Services Cell:** 701, Solitaire Corporate Park,  
167, Guru Hargovindji Marg, Andheri (East), Mumbai – 400 093.

**Tel:** (022) 6641 2487 / 2359

**E-mail:** investor@indusind.com

**Website:** www.indusind.com

**Annexure to the Items Number 3, 5 and 6 of the Notice:****DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE TWENTY-EIGHTH ANNUAL GENERAL MEETING**

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

**1. Mr. Sumant Kathpalia, Managing Director & CEO**

DIN	01054434
Date of Birth	December 14, 1961
Age	60 years
Date of first appointment on the Board of the Bank	March 24, 2020
Qualifications	B.Com.(Hons.), CA
Brief Resume including experience	<p>Mr. Sumant Kathpalia is a career banker with over 33 years of experience in large multi-national banks such as Citibank, Bank of America &amp; ABN AMRO and IndusInd Bank.</p> <p>Mr. Kathpalia has successfully held several leadership roles over his career with a focus on driving business growth and innovation. He has diversified experience across various functions including Business Strategy, Sales &amp; Distribution, Operations, Systems, Risk &amp; Credit Management and Financial Management.</p> <p>Mr. Sumant Kathpalia is a Qualified Chartered Accountant and a Commerce graduate from Hindu College, Delhi University.</p>
Nature of his Expertise in specific functional areas	Banking & Accountancy, Risk Management and Business Management
<b>List of Directorships / Memberships/ Chairmanships of Committees of other Boards</b>	
1. Directorships in other entities:	Bharat Financial Inclusion Limited
2. Chairmanships of the Committees of other Boards:	CSR Committee- Bharat Financial Inclusion Ltd.
3. Membership of Committees of other Boards	NIL
No. of Equity Shares held in the Bank as on March 31, 2022	5,54,818 shares of ₹ 10 each
No. of Board Meetings attended during the year	25 / 26
Relationship between Directors <i>inter-se</i> , Managers and Other Key Managerial Personnel of the Bank	None
Terms and conditions of appointment / re-appointment	The terms and conditions of his appointment, including remuneration, are as approved by the Members at its 26 <sup>th</sup> AGM held on September 25, 2020
Remuneration paid per annum	As approved by Reserve Bank of India and Shareholders
Remuneration last drawn for F.Y.2021-22:	₹ 7,50,00,000 per annum

**2. Mrs. Akila Krishnakumar, Non-executive Independent Director**

DIN	06629992
Date of Birth	March 31, 1962
Age	60 years
Date of first appointment on the Board of the Bank	August 10, 2018
Qualifications	Masters in Management Studies
Brief Resume including experience	<p>Mrs. Akila Krishnakumar holds a Masters in Management Studies.</p> <p>She was President – Global Technology and Country Head until February 2013 at SunGard – a Fortune 500 Company and a global leader in Financial Services Software.</p> <p>During her career spanning 30 years, she has led Technology-driven companies which were building enterprise-scale solutions across the world.</p> <p>Mrs. Akila Krishnakumar’s focus has been on operational excellence, talent engagement and customer relevance, which repeatedly has delivered robust returns for the many businesses she managed.</p>
Nature of her Expertise in specific functional areas	Information Technology & Payments & Settlement Systems, Human Resources and Business Management
<b>List of Directorships / Memberships/ Chairmanships of Committees of other Boards</b>	
1. Directorships in other entities:	<ul style="list-style-type: none"> <li>(i) Bharat Financial Inclusion Limited</li> <li>(ii) Medwell Ventures Private Limited</li> <li>(iii) Matrimony.com Limited</li> <li>(iv) Hitachi Energy India Limited</li> <li>(v) Brookprop Management Services Private Limited</li> </ul>
2. Chairmanships of the Committees’ of other Boards:	<ul style="list-style-type: none"> <li>(i) Hitachi Energy India Limited - CSR Committee and Nomination and Remuneration Committee</li> <li>(ii) Brookprop Management Services Pvt. Ltd. - CSR Committee and Nomination and Remuneration Committee</li> </ul>
3. Membership of Committees of other Boards	<ul style="list-style-type: none"> <li>(i) Bharat Financial Inclusion Limited- CSR Committee</li> <li>(ii) Matrimony.com Limited – Risk Management Committee</li> <li>(iii) Hitachi Energy India Limited – Audit Committee</li> <li>(iv) Brookprop Management Services Pvt. Ltd. – Audit Committee and Stakeholder Relationship Committee</li> </ul>
No. of Equity Shares held in the Bank as on March 31, 2022	NIL
No. of Board Meetings attended during the year	25/26

Relationship between Directors <i>inter-se</i> , Managers and Other Key Managerial Personnel of the Bank	None
Terms and conditions of appointment / re-appointment	The Terms of Appointment are as proposed in the Resolution relating to appointment mentioned in Item No. 5 of this Notice.
Remuneration paid per annum	₹ 40,80,000 per annum as detailed below.
Remuneration last drawn	For the F.Y. 2021-22: (i) Commission: ₹ 10,00,000 (ii) Sitting Fees: ₹ 30,80,000

### 3. Mr. Pradeep Udhas, Non-Executive Independent Director

DIN	02207112
Date of Birth	October 13, 1958
Age	63 years
Date of first appointment on the Board of the Bank	June 9, 2022
Qualifications	MBA in Management Information Systems from Union College, New York
Brief Resume including experience	<p>Mr. Pradeep Udhas is an USA Citizen and 63 years of age. He has a MBA in Management Information Systems from Union College, New York.</p> <p>Mr. Pradeep Udhas is a Senior Advisor to Chairman and CEO – KPMG India. Earlier, he was a Senior Partner at KPMG India, which he co-founded 27 years ago.</p> <p>Mr. Pradeep Udhas has held various senior positions including Global roles in KPMG, incubated many new services, building up to multimillion dollar businesses, detailed as under.</p> <ul style="list-style-type: none"> <li>• He was Head – Technology and Governance practice – partner in charge – Quality Registrar for KPMG USA and India from January 1994 to March 2000.</li> <li>• He was founder of e2e Technologies, a US based Solution Architecture firm from April 2000 to October 2004.</li> <li>• He was Head – Markets, Head of Technology and Governance practice from November 2004 to December 2008.</li> <li>• He was the Managing Director of Greater Pacific Capital, a PE firm having its operations in India from January 2009 to July 2010.</li> <li>• He was Sector Head – Technology, Telecom, Media and Entertainment for KPMG India from August 2010 to April 2014.</li> <li>• He was the Managing Director KPMG USA from May 2014 to March 2017 and thereafter as the Senior Partner   Managing Partner West of KPMG India from April 2017 to March 2022.</li> </ul> <p>Mr. Pradeep Udhas extensive background in global business, management consulting, technology, private equity and quality systems makes him uniquely qualified to advice on innovative global strategies..</p>

Nature of her Expertise in specific functional areas	Finance, Technology and Business Management.
<b>List of Directorships / Memberships/ Chairmanships of Committees of other Boards</b>	
1. Directorships in other entities:	NIL
2. Chairmanships of the Committees' of other Boards:	NIL
3. Membership of Committees of other Boards	NIL
No. of Equity Shares held in the Bank as on March 31, 2022	NIL
No. of Board Meetings attended during the year	N.A.
Relationship between Directors <i>inter- se</i> , Managers and Other Key Managerial Personnel of the Bank	None
Terms and conditions of appointment / re-appointment	The terms and conditions of appointment have been stated in the Special Resolution as set out in Item No. 6 of this Notice.
Remuneration paid per annum	Sitting Fees for meetings of the Board/ Committees attended by him, within the prescribed limits, as approved by the Board of the Bank and fixed remuneration, as approved by the Members of the Bank.
Remuneration last drawn	NIL.

# ***IndusInd Bank***

**Registered Office:** 2401 General Thimmayya Road, Cantonment, Pune - 411 001.

**Tel.:** +91 20 6901 9000

**Corporate Office:** 8<sup>th</sup> Floor, Tower 1, One World Centre,  
841, S. B. Marg, Prabhadevi (W), Mumbai - 400 013.

**Tel.:** +91 22 2423 1999 / 3049 3999 | **Fax:** +91 22 2423 1998 / 3049 3998

Visit us at: [www.indusind.com](http://www.indusind.com) or email us at: [investor@indusind.com](mailto:investor@indusind.com)

**CIN:** L65191PN1994PLC076333